



**CZECH REPUBLIC**

**UPDATE to  
the 5th STRATEGIC REPORT**

**cut-off date: 31 August 2016**

**EEA and Norwegian Financial Mechanisms 2009-2014**

**National Focal Point**

**CONTENTS**

1	EXECUTIVE SUMMARY.....	4
2	ASSESSMENT OF THE EFFECT OF THE GRANTS.....	5
2.1	Cohesion .....	5
2.2	Bilateral relations .....	11
3	REPORTING ON PROGRAMMES.....	15
3.1	Overview of Programme status.....	15
3.2	Individual Programme summaries.....	17
4	MANAGEMENT AND IMPLEMENTATION.....	17
4.1	Management and control systems.....	17
4.2	Compliance with EU legislation, national legislation and the MoU .....	18
4.3	Audit, monitoring, review and evaluation.....	22
4.4	Information and publicity.....	23
4.5	Work plan .....	23
5	SUMMARY LIST OF ISSUES AND RECOMMENDATIONS.....	23
6	ATTACHMENTS TO THE STRATEGIC REPORT .....	24
	ANNEX 1 – STATUS OF THE PROGRAMMES .....	25
	ANNEX 2 – PUBLICITY ACTIVITIES IN 2016 (January – August).....	39
	ANNEX 3 – LIST OF IRREGULARITIES.....	43
	ANNEX 4 – PLAN OF AUDITS 2016, MONITORING AND EVALUATION PLAN 2016.....	48
	ANNEX 5 – RISK ASSESSMENT AT THE NATIONAL LEVEL.....	53
	ANNEX 6 – TECHNICAL ASSISTANCE ANNUAL REPORT 2015 – UP-DATE .....	55

**LIST OF PROGRAMMES  
(EEA Grants / Norway Grants)**

<b>PRG</b>	<b>Programme name</b>	<b>Programme Operator</b>	<b>Programme Partner</b>
CZ01	Technical Assistance and Fund for Bilateral Relations at national level	NFP	---
CZ02	Biodiversity and Ecosystem services & Environmental Monitoring and Integrated Planning Control & Adaptation to Climate Changes	Ministry of Finance	Ministry of Environment
CZ03	Funds for Non-governmental Organizations	Civil Society Development Foundation	---
CZ04	Children and Youth at Risk	Ministry of Finance	Ministry of Labour and Social Affairs
CZ05	National, Regional, Local Initiatives to Reduce Inter-Group Inequalities and to Promote Social Inclusion	Ministry of Finance	---
CZ06	Cultural Heritage and Contemporary Art	Ministry of Finance	Ministry of Culture
CZ07	Scholarship Programme	Dům zahraniční spolupráce - Centre for International Cooperation in Education	Ministry of Education, Youth and Sport
CZ08	Pilot Studies and Surveys on CCS Technology	Ministry of Finance	Ministry of Environment
CZ09	Czech-Norwegian Research Programme	Ministry of Education, Youth and Sport	---
CZ10	Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	Ministry of Finance	---
CZ11	Public Health Initiatives	Ministry of Finance	Ministry of Health
CZ12	Mainstreaming Gender Equality and Promoting Work-Life Balance & Domestic and Gender-based Violence; Let's give (wo)men a chance	Open Society Fund	---
CZ13	Domestic and Gender-based Violence & Mainstreaming Gender Equality and Promoting Work-Life Balance	Ministry of Finance	---
CZ14	Schengen Cooperation and Combatting Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups	Ministry of Finance	Ministry of Interior
CZ15	Judicial Capacity-building Cooperation and Correctional Services, including Non-custodial Sanctions	Ministry of Finance	Ministry of Justice

## 1 EXECUTIVE SUMMARY

The National Focal Point (NFP) submitted its Strategic Report for 2015 to the Financial Mechanism Committee and to the Norwegian Ministry of Foreign Affairs, in accordance with Article 2.2 of the Regulation on the Implementation of the EEA/Norwegian Financial Mechanisms 2009-2014 on 31 March 2016.

This Update to the 5<sup>th</sup> Strategic Reports is submitted in accordance with the Article 2.3 of the Regulation and contains information on relevant development and progress within EEA and Norway Grants 2009-2014 from January to August 2016. The donors' comments to the Strategic Reports sent to the NFP on 5 September 2016 are also reflected in this Update.

The EEA/Norway Grants 2009-2014 in the Czech Republic were in the implementation phase in 2016, 63% of supported projects (561 projects) have already finished their activities.

Until 31 August 2016 approx. 96,5 mil. EUR (ca 79,67 % of total allocation) was disbursed to the Programme Operators (advance payments or already incurred expenditure) of which 46,3 mil. EUR (37,27 % of the total allocation) was disbursed by Programme Operators (POs).

The monitoring reports for finished projects are still under preparation so it is not possible to analyse programme outputs and programme outcomes, but generally it is expected that most outputs and outcomes will be achieved or even overreached.

The NFP used the opportunity for extension of 394 projects till April 2017. In fact, within the year 2016 only 292 projects were extended (74 %) by Programme Operators, out of them major part, i.e. 206 projects (70%) were extended till the end of 2016 and only 86 projects (30%) were extended till 30 April 2017. Programme Operators closely monitor the extended projects (especially projects extended till 30 April 2017) to ensure that all project realization will be finished till April 2017.

The NFP identified risks related to cohesion outcomes: programme absorption capacity and programme specific risk (especially within programme CZ04 – cancelled PDP). Despite the possibility of extension of projects the time risks still remain especially within the programmes CZ10, CZ13 and CZ15. The projects realization – especially within the projects with identified risks – is intensively monitored by POs and all steps (mainly delayed public procurement) are consulted between POs and Project Promoters.

Evaluation of all programmes based on five evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) with respect to their outcomes and outputs is planned to be realised from the second half of 2016 till the end of 2017. Each programme (except CZ01) will be individually reviewed and a summary report of the EEA and Norway Grants in the Czech Republic will be elaborated.

The insufficient demand for bilateral initiatives on national level has been fully eliminated as the (increased) allocation of 2<sup>nd</sup> and 3<sup>rd</sup> open calls is fully utilized now.

On the other hand, the bilateral risk in the form of insufficient demand for bilateral initiatives within the Bilateral Fund at Programme Level appeared in the programmes CZ02, CZ04, CZ11, CZ12 and CZ14. The risk is connected with lack of time and personal capacity to find a suitable donor partner institution or by low interest in the given programme area. In order to mitigate this risk the open calls are/will be opened for all entities competent in the given programme area and/or the open calls will be prolonged till June/July 2017.

In 2016, there were some important changes in policies that had an impact on the implementation of EEA/Norway Grants 2009-2014 in the Czech Republic, especially in the area of education, children protection, research and environment. The Czech government approved several important laws and Action plans connected with programme areas.

## 2 ASSESSMENT OF THE EFFECT OF THE GRANTS

### 2.1 Cohesion

#### 2.1.1 Macroeconomic situation of the Czech Republic in 2016

Please refer to the main report.

#### 2.1.2 Development of sectors in the CR

Since January 2016, there were some important changes in policies that had an impact on the implementation of the EEA/Norway Grants 2009-2014 in the Czech Republic. The Czech government approved several important laws and Action plans connected with programme areas.

In May 2016, Education Law Amendment Act was adopted in accordance to the Action Plan for Inclusive Education 2016-2018. The amendment supports integration of disabled and socially disadvantaged children via supporting measures, and supports also extraordinarily talented children. The Act introduces an obligatory year in the kindergarten for children before they start attending basic schools. The Act brings about a unified school-entrance examination for secondary schools with a school-leaving exam. Starting from the school year 2020/2021 the Act introduces three obligatory examinations within the unified part of the school-leaving examination at secondary schools.

In January 2016, MoLSA started a new EU project *System Development and Support of Tools for Child Protection*. The main objective of the project is to support the social-legal child protection at all levels and to further improve the quality and efficiency of work of all those involved. It is aimed at increasing the capacity of staff of the authorities in the field of networking and creating network of services for vulnerable children and families at the local level, as well as at ensuring the quality of necessary statistical data, setting lifelong learning for and upgrading the skills of the workers in the field of the child protection. It is also focused on promotion and development of foster care. It aims to reduce the number of children who must leave their families and to ensure the best possible individual care for children who come into foster care system. 12 regions have expressed interest to participate in the project so far.

On 17 June 2016, the Act no. 130/2002 Coll., on the Support of Research and Development from Public Funds, and on amendments to some related Acts (Act on the Support of Research, Experimental Development and Innovation) was amended. That affected evaluating status of research organizations because newly the Ministry of Education, Youth and Sports will have to develop a methodology of evaluation of research organizations and manage a list of research organizations in the country instead of the Office of the Government of the Czech Republic that was previously responsible for it. But this is at the beginning. The Government is also willing to put research, development and innovation under “one shelter”. A Section for Science, Research and Development (SSRI) is determined to solve this task. SSRI was established within the Office of the Government of the Czech Republic as a coordinating and managing body for the system of science and research and aims to establish a “ministry of science and research”.

Within the area of environment (especially programme CZ02), several strategies were adopted in the Czech Republic. For example the Czech Government adopted the Strategy on Adaptation to Climate Change in the Czech Republic in October 2015. This document represents a national adaptation strategy of the Czech Republic. It includes assessment of the climate change impacts and recommends appropriate adaptation measures including their mutual linkages and linkages to mitigation. Adaptation measures are proposed in the following areas: Water regime in landscape and water management,

Agriculture, Forest management, Biodiversity and ecosystem services, Urbanized landscape, Health and hygiene, Crisis situations, protection of the population and environment, Tourism and recreation, Transport, Industry and Energy sector. Adaptation strategy will be implemented by the National Action Plan on Adaptation to Climate Change (2017). In February and June 2016, the Government also approved the Government Decree no. 73/2016 Coll., and the Government Decree no. 207/2016 Coll., consisting of the amendment to the national list of Sites of European Importance. The national list was supplemented by 51 new Sites of European Importance. 70 existing sites were accompanied by one or more new objects of protection. Draft supplement reacted to the results of the evaluation of the adequacy of the Czech National List, which took place in 2011. All changes have been discussed in advance with the European Commission.

In the field of NGOs (CZ03, CZ12) the funding available through the EU Structural Funds are to some extent replacing the sources offered by the EEA Grants, which have represented one of the largest source of NGO funding in 2014 and 2015 in the Czech Republic. The calls under the new programming period for the EU Funds have been launched in the second half of 2015 and the Czech NGOs, i.e. NGO Programme Project Promoters, are well represented among applicants. The most relevant programme with respect to areas of support within the EEA Grants is the Operational Programme Employment (including social inclusion and gender equality). However, the state still remains the largest source of funding for NGOs. The new subsidy programme of the Government Council for NGOs, aimed at supporting national interdisciplinary network of NGOs, was launched in July 2016. This new grant programme will offer to the grant recipients a memorandum on long-term cooperation. Corporate grants and individual philanthropy remain underdeveloped resources for NGOs.

In May 2016, the Open Society Fund Prague, Civil Society Development Foundation (NROS) and the Environmental Partnership Foundation, NGOs working as Programme Operators for programmes financed from the EEA and Norway Grants, issued a joint statement following the speech of Mrs Jitka Chalánková who is vice-president of TOP 09 party. The foundations asked politicians to - as public figures - always think carefully about their claims not to negatively affect the work of NGOs. Deputy stated that from the list of so called Norway grants is evident a clear pressure on the enforcement of other ideological goals. Similar claims significantly interfere with the work of Programme Operators together with the Project Promoters of the EEA and Norway Grants and complicate the very functioning of the organizations.

The Action Plan for Balanced Representation of Women and Men in Decision-making Positions for the Years 2016-2018 was adopted by the Czech Government in July 2016. The Action Plan is based on the Government Strategy for Equality of Women and Men in the Czech Republic for the Years 2014-2020 and aims to create a complex framework for measures focused on higher representation of women in politics and decision making positions. It includes 35 specific measures divided into 4 areas: a) general measures, b) politics, c) public administration and d) companies.

Regarding the Hate Crime topic, the growing islamophobia in the Czech Republic escalates the tension in the society, which can be consequently turned against other fragile groups. The approach of the Czech police to activities of ultra-right activist Martin Konvička is followed by wide public and will determine the border of socially-accepted behaviour. Regarding the social inclusion, main attention is paid to school inclusion (aiming especially on pupils transferring from "practical" to mainstream schools) and the poverty business (housing and loan shark issues).

The Government of the Czech Republic systematically provides financial funds in the area of crime prevention in the risk municipalities and regions, especially through the Ministry of Interior's Fund for crime prevention. The main goal of the Government is to create stable and long-term financial channels to facilitate crime prevention and achieve successful crime combating. International and multilateral funding is welcome especially within the large and financially demanding projects, e.g. procurement of

e-gates or establishing a National Control Authority. Furthermore, involvement of the foreign parties is appreciated, especially in relation to the exchange of knowledge, best practices and know-how sharing. An increase of the Ministry of the Interior budget for year 2016 was successfully negotiated among other in relation with the increasing number of immigrants in EU territory and all the security and interior issues related to it. Statistical data on migration in the Czech Republic show that there is a very slight increase in the number of migrants in country. A strategic document Czech migration strategy policy was approved by the Government in July 2015 setting 7 main principles for the integration policy. Currently, the most pressing need is increasing and/or further improving the existing reception capacities. This need is due to the current increase of asylum seekers in CR as well as the second generation of Common European Asylum System which sets further requirements concerning quality of reception conditions.

In the sector of culture, no major changes have occurred since January 2016. The objectives defined in the National cultural policy in 2009-2014 are still valid for the period of 2015-2020. Moreover, the cultural potential of the country is recognised as an important factor for the development of society as whole, as stated in the Proclamation of the Czech Government and the National Cultural Policy 2015-2020. Culture and related cultural goods and services are seen as cultural capital, representing the source of values and hardly measurable assets such as creativity and social coherence. Measures towards the realisation of the defined objectives, including the support of maintenance of existing cultural values, their cultivation and utilization as well as origination of new values and creating transparent and non-discriminatory environment for cultural activities and their support, are being taken.

In the field of psychiatric care there weren't any changes in the legislation during the reporting period. In the area of policy implementation there were created new policies of Action plans for implementation the "Health 2020 - The national strategy on health promotion and disease prevention". Some of the Action plans have started to be implemented. These action plans are based on earlier approved strategy Health 2020. Some action plans are in line with the Programme CZ11. These are Action plan on "Mental health" and Action plan on "Promoting physical activity, good nutrition and eating habits, prevention of risk behaviour among high-risk groups of children in the Czech Republic". Planned activities will be complementary to the objectives of the Programme CZ11. Trends in the sector are mainly determined by strategic documents. The area of psychiatric care is mainly determined by the ongoing Psychiatric care reform which sets the basic principles of further development. Among the main trends belongs gradual deinstitutionalization and destigmatisation of psychiatric care. Another trend in the public health care is to focus on preventing health problems. This trend is also complementary to the objectives of the Programme CZ11.

The justice sector is focusing on improving the conditions of inmates in prisons and to increasing their chances in resocialization after leaving the prisons. The Ministry of Justice has presented the Concept of the penitentiary till the year 2025. The Concept was agreed by the Government in February 2016. The goal of the Concept is reducing reoffending by increasing the employment of inmates and by creating specific plan for resocialization of inmates. One of the tools to reach the goal is presenting the system of open prisons, where there is a plan to open one in June 2017. The increasing of employment of inmates will help them to keep the working habits which would then simplify their return to society. Another tool is the implementation of the system of electronic monitoring (i.e. "electronic tagging").

### 2.1.3 Main Programme Risks

Programme Operators updated risk analyses of their programmes at the end of August 2016 under the guidance of the National Focal Point. Generally, a neutral trend of the results of the updated risk

analysis compared to the results of the analysis carried out at the end of the year 2015/start of the year 2016 has been observed.

Three major risk factors that threatened implementation of programmes during the year 2015 and also in 2016 were linked to cohesion outcomes. These concerned the programme absorption capacity (especially within the programme CZ04), the time risk (especially within the programmes CZ10, CZ13 and CZ15) and the specific programme risks (especially within the programmes CZ02, CZ04 and CZ14). Specific programme risk within the programme CZ04 – political ill will for adoption of new law for protection of children – came true at the start of 2016 and the pre-defined project was cancelled. As a result, the Programme Operator realized two additional open calls for additional activities for projects and sub-projects within SGS and detailed monitoring was put in place. Programme Operator and the NFP also consider reallocation of the rest of funds from the cancelled PDP into programme CZ01 – Bilateral Fund at National Level. As for specific programme risk related to seasonal works within projects identified in the programme CZ02, the importance of the risk factor decreased thanks to prolongation of the projects' implementation till April 2017. Within the programme CZ14 the specific risk is connected with public procurement procedures at the Police Presidium (Project Promoter) regarding the additional activities financed from projects savings.

Bilateral risk in the form of insufficient demand for bilateral initiatives within the Bilateral Fund at Programme Level appeared in the programmes CZ02, CZ04, CZ11, CZ12 and CZ14. The risk was evoked by lack of time and personal capacity to find a suitable donor partner institution or by low interest in the given programme area. In case of the programme CZ04 the Programme Operator opened the open call for bilateral initiatives for all entities competent in the given programme area in line with the Regulation in July 2016. The same mitigation measure will be most probably applied for the programmes CZ02, CZ11 and CZ14. Moreover, Programme Operator plans to prolong the open call till April 2017 with possible realization of bilateral initiatives until June/July 2017.

On the other hand, bilateral risk does not jeopardize implementation of the programmes CZ06, CZ07 and CZ08. Transfer of unused funds from re-granting into bilateral fund occurred within the above mentioned programmes thanks to great bilateral interest in the cultural, scholarship and CCS programme areas.

Programme operator for CZ03 has succeeded to mitigate majority of identified risks during 2016. Risks connected to personnel changes influenced implementation of CZ09, CZ13 and CZ15 programmes.

#### 2.1.4 Risks at the National Level

The National Focal Point constantly monitors risks at the national level that may affect the implementation of programmes and the achievement of the overall objectives of the EEA/Norway Grants 2009-2014 in the Czech Republic. A risk analysis at the national level was updated in August/September 2016.

Significance of the majority of risk factors at the national level remains low. Both likelihood and importance of risk factor related to bilateral relations decreased thanks to the fact that almost all funds allocated for Bilateral Fund at National Level were committed. There is a huge demand for bilateral initiatives within the Bilateral Fund at National Level. Actual running call's allocation was raised by almost EUR 130 000 which has been spent within a few weeks and the last funds were fully allocated on 8 September 2016. Based on the previous development and interest for initiatives, the NFP would like to ask the FMO for reallocation of EUR 280 000 from the programme CZ04 into two indicative allocations within the open call – one for NGOs in the amount of EUR 180 000 and the second one for municipalities and regions in the amount of EUR 100 000.



The time risk was largely mitigated thanks to the possibility of projects' extension till April 2017. However, the likelihood of the risk was increased especially owing to the last development of programmes CZ10 (the second part of the pre-defined project), CZ13 (jeopardized pre-defined project realization) and CZ15 (delay in realization of one pre-defined project). The NFP takes account of the possible mitigation action – prolongation of projects implementation period beyond April 2017 with financial funds ensured by Project Promoters.

The risk analysis at a national level forms a part of **Annex 5**.

### 2.1.5 Horizontal concerns

Roma are often perceived by the majority population through negative reporting. Improving the situation for the Roma population is an important element in several programmes in the Czech Republic. A crucial document - Roma Integration Strategy for years 2015-2020 - was approved by the Government in February 2015. One of the main goals of the document is to tackle negative trends affecting Czech Roma community such as education, housing and social situation. The document would also like to start or fasten positive changes in the area and contribute to lowering of differences between Roma community and majority society. Strategy also intends to increase the effective security against discrimination as well as support the Roma culture and language.

The cultural programme CZ06 has a unique capacity to raise awareness, challenge social habits and promote behavioural shifts in our societies. Arts and culture can also open new avenues to tackle the international dimension of such issues. Such questions have been stressed within the PA17, many approved projects of which are aimed at social inclusion, fighting against extremism, racism, antisemitism and homophobia. The approved projects have opened new possibilities for organizing various events of both artistic and social nature, like conferences, concerts, lectures, cooperation with minorities and further partner entities. Two of the PA17 projects contribute significantly to the inclusion of the Roma (International Roma Music Festival Romale: four-day-long international Roma music festival presenting the richness of Roma culture in relation to the Roma history; World Roma Festival KHAMORO – presentation of the Romani cultural professionals primarily through music). Moreover, other two projects pay attention to the Roma issue. In the project Let's Sing! one of the performing choirs is comprised of half singers of the Roma origin. The other project TRANS(e)MISSION – Partnership program of new art/tech festivals and workshops dedicated to digital media impact on visual art and generally on culture in Czech and Norway is including the Roma minority into the workshop as the key persons, the Roma people having the role of workshop leaders and tutors. The above mentioned projects helped to raise awareness of the Roma culture in society and increase tolerance towards this group through the introduction of their culture to wide public, thus helping to promote and popularize Roma culture within the Czech society, disseminating information in public media to ensure better dialogue and understanding between the Roma minority and the majority.

Programme CZ06 Cultural Heritage and Contemporary Art guarantees adherence to the principles of equal opportunities of men and women and non-discrimination in general for both areas within the programme. Equal opportunities between men and women in terms of their social and professional development, and equal opportunities regardless of race, ethnicity and religion, combating any form of discrimination on the grounds of gender are supported. The project Scintilla Tour with jazz musician Beata Hlavenková is a good example, since jazz music is usually a domain of male musicians. The projects in the PA 17 "Promotion of Diversity in Culture and Arts within European Cultural Heritage" support significantly the community coherence and enhance the understanding of cultural diversity as they strengthen cultural dialogue and learning about ethnic minorities. These are especially big multicultural festivals, promoting tolerance and social inclusion of ethnical minorities into the Czech

society. The fight against the extremism, racism, homophobia and anti-semitism is the main theme of the play "Der Kick" in the sub-project 3 faces of freedom – support of cultural diversity in Ústí nad Labem.

Some of the projects supported from the CZ12 programme that take into account the special needs for Roma minority, have introduced some new topics such as gender in Roma community and Roma women empowerment, tackling domestic violence in Roma community or engagement of Roma men in child-care services.

Within the programme CZ05 the school-related activities have been introduced to the Council of the Government of the Czech Republic for Roma Community Affairs. The achievements of Roma representatives and good-practise examples are also regularly shared on the Hate Free Campaign facebook page. Other pre-defined project activities are also aimed at the horizontal concerns. The Hate Free campaign is dominant provider of hoax-explanation services to media and wide public. The discussions on the Hate Free facebook page are followed by 200.000+ social media users. Many events labelled as Hate Free Events attract public as well as media (e.g. so-called "Opened Breakfasts" where hundreds of people of various nationality/religion enjoy sharing their typical food).

Successfully completed PDP 6 of the programme CZ14 was focused on implementation of the police specialists in the field of police work in relation to Roma minority group in the socially segregated locations. One of the project goals was to understand the special needs of the community and to lower the rate of crime through the reduction of poverty and social difficulties.

The programme CZ12 fulfils the horizontal concerns by its basic alignment that is gender equality and domestic and gender-based violence. The programme also addresses the horizontal concerns by means of the programme's expected outputs that imply fundamental values such as promoting tolerance, multicultural understanding and respect for the rights of minorities including the Roma (outputs aimed at different minorities, flexible working time, gender mainstreaming and education, information campaigns and research etc.), violence against women and trafficking (outputs aimed at services for victims of domestic violence, information campaigns and education etc.). Horizontal issues and related fundamental values are addressed in most projects; especially combating violence against women is present in every single project. La Strada with its two supported projects is tackling trafficking, combating hate speech that occurs in the project dealing with cyber bullying of NGO Gender Studies. Homophobia is tackled in the project conducted by Prague Pride that aims to develop special peer-to-peer counselling for LGBT individuals.

Within the Small Grant Scheme of the Programme CZ04, project activities are mostly aimed at target groups without depending on ethnicity but they nevertheless support Roma involvement in the project activities leading to streamlining the system of care for vulnerable children. This would be the case in two already completed projects within the Small Grant Scheme. Project called "Edifying campaign aimed at Children's Rights Promotion for Children in Foster Care" carried out an awareness campaign focused on the rights of children in foster care. Project called "Playing with stories – a new method for the child's involvement in decision-making processes" established a new method of working with vulnerable children that also improves mutual communication between children and families. Another specific example can be found within an ongoing project called "The Voices of Threatened Children": the project has been working on a documentary comics trilogy consisting of three authentic biographical stories that have experience with foster care. One story is based on an authentic story of a Roma boy and is supposed to raise awareness of the general public about the possibilities and likely problems of Roma children seeking foster care. Within the open call projects, 11 transformation plans for institutions in Zlín and Pardubice regions were created with the aim to offer care for children in a family-friendly environment without depending on ethnicity.

Programme CZ13 aims at promotion of gender equality and combating discrimination based on sex. Measures adopted within the pre-defined project and its outputs contribute to elimination of discrimination. Some of the activities are also connected to elimination of hate speech (for example the study of gender-based cyber-bullying).

## 2.2 Bilateral relations

In the Czech Republic the EEA/Norway Grants promote strengthening of bilateral relations and cooperation between subjects from the Czech Republic and the Donor States.

The important part of these efforts represents CZ01 programme that includes the **Fund for Bilateral Relations at national level (BFNL)**, whose allocation provides support for wider bilateral initiatives, relations and contacts between entities from the Czech Republic and the Donor States.

There are generally two parts of the BFNL allocation in accordance with the updated BFNL Work Plan: open calls for bilateral initiatives (see below) and activities of the National Focal Point to support cooperation in areas that overlap programmes or are outside the frameworks of the EEA/Norway Grants in the Czech Republic (see 2.2.1).

Within the Fund for Bilateral Relations at national level three open calls for initiatives were launched:

The allocation (150 000 EUR) of the 1<sup>st</sup> open call, announced on 21 January 2013, which was permanently open to applicants from the general public until 31 December 2014, was committed from 97,5 % (26 initiatives were supported) and the total amount disbursed for implemented initiatives within the 1<sup>st</sup> open call represents 76,52 % (24 initiatives were realized, one of them not certified yet). The savings in the amount of 30 000 EUR were reallocated into the 3<sup>rd</sup> open call.

The 2<sup>nd</sup> open call dedicated for regions and municipalities (allocation 80 000 EUR) was launched on 20 October 2014. During 2016 five new initiatives were approved and the allocation was fully utilized. The 2<sup>nd</sup> open call is closed now.

Approved applications - Fund for bilateral relations at national level - 2nd open call			
No.	Applicant	Initiative name	Approved grant (EUR)
2-03	Union of towns and municipalities of the Czech Republic	Initiative to encourage cooperation among the Czech and the Norwegian local governance	9 751
2-04	Region Slezská brána	Workshop: Revitalization of cultural and natural heritage in remote places	24 218
2-05	Jilemnicko - union of municipalities	Good practices and its impact on territory of Jilemnicko - union of municipalities	22 517
2-07	Gymnasium Teplice	NOPOinTS - Not Only Progressive Options in Technology and Science	3 000
2-08	Trondheim municipality	Smart Cities - Connecting Municipalities	5 514
<b>Total</b>			<b>65 000</b>

The 3<sup>rd</sup> open call, which is relevant for all entities competent in supported programme areas, was launched on 9 January 2015. The original allocation of 150 000 EUR was increased by 30 000 EUR from savings in the 1<sup>st</sup> open call, by 20 000 EUR from savings in anticorruption conference (to be used to anti-corruption initiatives) and by 78 981 EUR from savings in the Technical Assistance. The total allocation for 3<sup>rd</sup> open call is 278 981 EUR now.

In 2016 19 new initiatives were supported and the allocation (incl. reallocations) was fully utilized on 8 September 2016.

Approved applications - Fund for bilateral relations at national level - 3rd open call			
No.	Applicant	Initiative name	Approved grant (EUR)
078	FAMU	Script development workshop MIDPOINT / Stockfish film festival, Island	11 975
079	FAMU	Exchange of educational know-how between FAMU and Den norske filmskolen	9 613
080	Studenstký Majáles, z.s.	Culture as a Platform for Connecting Students and Young People Across Europe and Its Regions	3 371
081	Scandinavian House	Strengthening bilateral relations between the Scandinavian House and Icelandic culture institutions, preparation of Icelandic part of the #ReadNordic project	5 461
082	ARCHIP	Exchange of Experiences in Suitable Urban Development	15 792
084	University of Hradec Králové	The working meeting and the recruitment campaign of The Summer School of Interdisciplinary Studies	14 999
085	Gymnázium Teplice	NOTIME – Not Only Technologies in Modern Education	13 694
087	ART - association of artistic education	Study tour - transfer of experience and good practices in the field of arts education	13 508
086	VŠB - Technical University of Ostrava	Future of the exploitation of renewable and alternative energy sources	10 047
088	DOC.DREAM	Translucent Country Island: promotion of the Icelandic documentary cinematography in the Czech Republic and strengthening cooperation between the Icelandic and Czech film professionals	21 383
089	Geopark Ralsko, o.p.s.	International Conference “Innovative methods of Natural Heritage Interpretation and Efficient Management for Geotourism – Sharing of the Best practice and International Networking”	18 159
091	Oživení, o.s.	Manual for transparent municipality 2016	18 868
094	Farma v jeskyni, z.s.	Bilateral cooperation of Farm in the Cave theatre studio and Roosna & Flak group	26 305

Approved applications - Fund for bilateral relations at national level - 3rd open call			
No.	Applicant	Initiative name	Approved grant (EUR)
095	Frank Bold Society	Corporate Governance for a Changing World	6 807
096	DOC.DREAM	DOC.STREAM Iceland: strengthening cooperation and engaging Icelandic film professionals into Jihlava Industry programme	16 628
098	Geopark Ralsko, o.p.s.	Strengthening of partnership and cooperation between the geoparks - study trip to Iceland	17 221
100	Základní umělecká škola B- Art, o.p.s.	Study Visit in The Norwegian National Ballet School	7 413
101	Oživení, o.s.	Participation of Norwegian partner on the final workshop of the Manual of transparent government project	1 132
102	ProFitArt, z.s.	ProFitArt and Arctic Culture Lab – Exchange of know-how in the field of nonverbal theatre	4 617
<b>Total</b>			<b>236 994</b>

In March and June 2016, the updates of the Guideline for applicants and final beneficiaries were published on the EEA website.

The bilateral aspect is also reflected in the implementation of programmes financed from the EEA/Norway Grants in the Czech Republic. The most important programmes in the area of bilateral relations are programmes CZ07 and CZ09 that are fully bilateral on the programme level (Donor programme partners) and project level (donor project partnerships). In the year 2016 the most progress in the implementation of bilateral projects was made by programme CZ07, all 317 supported projects (out of them 51 projects focused on cooperation between schools) will finish their implementation till the end of September 2016. The programme CZ09 is running smoothly and the results of projects are shared between bilateral partners; all the projects will be finished in April 2017.

The bilateral cooperation is also strengthened by Bilateral funds at programmes level. Within 2 programmes (CZ03, CZ10) the allocations for Bilateral funds are fully spent. Within all other programmes the calls are ongoing and also the allocations of calls were increased.

Good example of the Bilateral fund at programme level is programme CZ06. The call was fully spent and then increased. Totally 35 initiatives very supported (11 from BF Measure A and 24 from BF Measure B) by August 2016 10 other are submitted for support. The fund is very often used by project promoters in both programme areas (PA16 – culture heritage, PA17 – living art) to organize bilateral actions, meetings, events, exhibition, fests, performances and also to create shared results (analysis, studies, research activities).

### 2.2.1 Shared results, improved knowledge and mutual understanding

As part of the NFP activities under the Fund for Bilateral Relations at national level the following activities took place:

The remaining activities related to the **international Anticorruption conference** "*Developing trends in combating corruption, money laundering and recovering criminal assets in Europe*" were done: the article about the conference was published in the magazine Ekonom in February 2016 and the NFP in cooperation with the Council of Europe and the Norwegian Embassy in Prague also prepared the brochure composed of the summaries from particular conference sessions. The brochure was distributed among the experts and published.

The **analysis of bilateral relations** was delivered to the NFP by external company in February 2016 and was also published on NFP website. The analysis was focused on the bilateral relations on programme level (relations between Programme Operators and DPPs), project level (between project promoters and donor project partners) and bilateral initiatives level (between final beneficiaries and donor partners). The evaluation was focused on key areas of the project / programme cycle in conjunction with the principle of partnership: specifically, (i) partnership creation, (ii) partnership progress in the course of project / programme execution, and (iii) partnership development subsequent to completion of project / programme activities.

Individual evaluation questions were asked in the interview survey or direct questioning of selected respondents, thus enabling to obtain the information necessary to make its conclusions. The survey was sent to 167 end beneficiaries and 155 foreign partners. The survey response rate was 127 responses from beneficiaries and 78 responses from foreign partners. Structured interviews were conducted with respondents representing NFP, Programme operators, Programme partners/ Programme donor partners, the Norwegian Embassy in Prague and Final beneficiaries.

The conclusions of the report have been prepared in respect of each phase of the project/programme cycle.

The main obstacle of the establishment of partnership was the insufficient capacity on the part of the donor countries, both with regard to the programme and the projects. The greatest benefit of the partnership for the beneficiaries was sharing of know-how, experiences and contacts and the generation of outputs and ensuring sufficient capacity for the project requirements. Like in case of the establishment of the partnership, one of the key problems appears to be the capacity of the project partners. Another problematic area mentioned by the beneficiaries and their partners were the high administrative demands of the programme and different locations of the beneficiary and its partner.

Most of the beneficiaries and the partners from donor countries would like to make use of the established partnership beyond the scope of the joint project after its completion. The key reason for termination of the cooperation after the end of the project activities is the shortage of financial funds required for maintaining the active partnership or the non-recurrent of the project, which prevents further enhancement of the partnership cooperation.

On 1 March 2016 the presentation of the analysis results was organized for the interested parties – NFP, Project Promoters, sectoral ministries, DPPs, FMO and the Royal Norwegian Embassy in Prague (44 participants).

The NFP also organized the **international conference** "*School for Everyone*" that was held on 16 and 17 March 2016 in Prague (partly financed also from CZ05). The main aim of the conference was to introduce successful concepts of inclusive (elementary) education and showcase inspirational examples of good practice from abroad. In total, 7 foreign experts (3 from Norway) presented their experience to the Czech audience – mostly pedagogical public, founders of schools and active parents, students. In addition to the lectures, 6 specific workshops were held where the participants discussed pressing issues in the context of the changing environment in the Czech Republic. The main day of the conference was attended by 135 participants, including the representatives of the Royal Norwegian Embassy in Prague. As part of the conference the excursions to selected schools (special focus on Roma children/ expats/ individual programmes) were held on 16<sup>th</sup> March 2016. Altogether with the additional programme, approximately 150 participants took part in the conference. Connected with the conference the analysis of the educational system in Scandinavian countries was elaborated and distributed among relevant stakeholders. The conference received good feedback from both speakers

and participants and was well covered by local media (newspaper, TV). Videos and photos from the conference are available at [www.skolaprovsechny.cz](http://www.skolaprovsechny.cz).

The NFP together with the Project Promoter of CZ10 started preparation of the anti-corruption conference follow-up: **the FIU workshop** “Facing new challenges in combating terrorist financing” to be held from 19 to 20 September 2016 in Prague. The workshop will be attended by representatives of FIU units from most of EU countries, CoE and FMO. The Fund for bilateral relations will cover travel costs and transfers from/to airport for foreign participants and fees for moderators and rapporteur.

The **initiative “Tundra here, tundra there”** is running with two study trips of Czech teams to Norway and Iceland held during summer. The remaining study trips (Czech experts to Norway and Norwegian experts to the CR) are planned for autumn as well as the related international conference that will be held from 19 to 20 October 2016.

The NFP also started preparation of **three events related to the Public Health Initiatives** (BF priority area for 2016): the international conference “Beyond Stigma, Toward Equity” related to the reform of the psychiatric care in the Czech Republic is planned on 15 October 2016 for 300 participants; the symposium “Primary Prevention of Psychiatric Disorders” will be held on 17 October 2016 for 50 experts and the Czech e-Health Strategy Presentation and Appraisal Workshop will be held on 8 December 2016 for 70 participants. Foreign presenters, including experts from Norway will participate in all three actions.

Cooperation Committees meetings within the programmes realized in cooperation with Donor programme partners (DPPs) were also held in 2016.

## 2.2.2 The Risks of Bilateral Relations

Please refer to the sections 2.1.3 Main Programme Risks and 2.1.4 Risks at the National Level.

# 3 REPORTING ON PROGRAMMES

## 3.1 Overview of Programme status

Within the year 2016 all 15 approved programmes were in the implementation phase. In total **892 projects** (23 predefined projects, 679 projects from the open calls and 190 sub-projects from the small grant schemes) were supported and implemented (10 projects resigned from the realization of grant). Till August 2016, **561 projects (63%)** finished their activities, out of it 2 predefined projects (including 1 cancelled predefined project in programme CZ04), 453 open call projects (the number also includes all 231 projects from CZ03 programme and most of the projects within programme CZ07) and 106 small grant scheme projects.

In total 2 open calls were running in the Bilateral fund at national level (both of them were closed in September 2016 due to the spent allocation) and 14 open calls in the Bilateral funds at programme level (2 of them were closed due to the spent allocation). All calls for projects were finished already in 2015.

In line with the Regulation (Art 6.9), Programme Operators of programmes CZ04 and CZ09 realized the reallocation between projects in order to reach the higher absorption capacity in the programmes (Programme CZ09 – ensure the allocation of projects in social area, Programme CZ04 – use of remaining funds from the cancelled predefined project). POs launched 3 additional calls for additional activities

within already approved projects in 2016 (1 call for projects in the programme CZ09, 1 call for projects in the programme CZ04, 1 call for SGS projects in the programme CZ04). All calls were successful and project promoters asked for additional activities in the projects.

In order to minimize the time risk the NFP asked for extension of 394 projects till April 2017. Within the year 2016 the Programme Operators of 12 programmes (except of CZ07 and CZ09) dealt with the individual requests for extension of the projects justified by Project Promoters. In total only 292 projects were prolonged (74 %) by Programme Operators, out of them major part, i.e. **206 projects** (70%) were extended till the end of 2016 and only **86 projects** (30%) were extended till 30 April 2017. Programme Operators closely monitor the extended projects (especially projects extended till 30 April 2017) to ensure that all project realization will be finished till April 2017. POs also indicate potential risks of total 3 projects (projects from programmes CZ10, CZ13 and CZ15) not to be completed till April 2017.

### Financial overview of the programmes

Until 31 August 2016 the Programme Operators asked the Certifying Authority (CA) for the advance payments or reimbursements of actually incurred expenditure in the total amount of **96 571 593 EUR (ca 79,67 % of total allocation, PRG co-fi excluded)**. The amount is based on reported and certified amounts in IFRs and is also in line with the financial flows set in the Czech Republic. Within programmes where the pre-financing from the state budget is applied, the EEA/Norway Grants (actually incurred expenditure) are released in favour of the Programme Operators within 15 working days after the approval of the IFRs by the CA. However, most of the programmes receive their funds (proposed expenditure) within the time period of 15 working days after the funds reach the source account of the CA, as required by the Regulation.

**Table: Payments disbursed by the CA to POs**

PRG	Total eligible grant (without PRG co-fi)	Disbursed to POs up to 31/8/2016	Disbursed to POs up to 31/8/2016 vs. Total eligible grant
CZ01	2 866 000,00 EUR	1 019 561 EUR	35,57%
CZ02	18 420 000,00 EUR	16 319 259 EUR	88,60%
CZ03	11 369 191,00 EUR	11 218 491 EUR	98,67%
CZ04	2 738 809,00 EUR	1 849 112 EUR	67,52%
CZ05	1 242 000,00 EUR	1 034 640 EUR	83,30%
CZ06	21 490 000,00 EUR	16 638 684 EUR	77,43%
CZ07	3 827 000,00 EUR	3 571 026 EUR	93,31%
CZ08	5 023 623,00 EUR	4 550 243 EUR	90,58%
CZ09	14 516 377,00 EUR	6 508 017 EUR	44,83%
CZ10	1 760 000,00 EUR	600 907 EUR	34,14%
CZ11	19 180 000,00 EUR	16 614 547 EUR	86,62%
CZ12	6 735 817,00 EUR	6 724 653 EUR	99,83%
CZ13	840 000,00 EUR	591 798 EUR	70,45%
CZ14	6 274 183,00 EUR	5 460 507 EUR	87,03%
CZ15	4 928 000,00 EUR	3 870 148 EUR	78,53%
<b>Total</b>	<b>121 211 000,00 EUR</b>	<b>96 571 593,00 EUR</b>	<b>79,67%</b>

Until 30 April 2016 the total amount of **46 299 346 EUR (ca 37,27 % of the total allocation including PRG co-fi)** was disbursed by Programme Operators and certified by the CA.



Within the programmes the programme management costs were disbursed (costs for administration of selection of projects, publicity, costs for projects monitoring and verification of payments); also the costs for bilateral activities were paid (Bilateral Funds at programme level and Complementary Actions) and payments to Project Promoters (advance payments and payments based on the verification of incurred costs). The disbursement of Bilateral funds at programme level is low due to the ex-post financing of approved initiatives by Programme Operators.

**Table: Payments disbursed by POs\***

PRG	PRG allocation (PRG co-fi included)		Disbursed by POs up to 30/4/2016		Disbursed by POs up to 30/4/2016 vs. PRG allocation
	CZK	EUR	CZK	EUR	
<b>CZ01</b>	–	2 866 000,00 EUR	27 069 636,00 CZK	1 019 561,00 EUR	35,57%
<b>CZ02</b>	488 019 449,00 CZK	18 420 000,00 EUR	140 800 203,00 CZK	5 173 407,00 EUR	28,09%
<b>CZ03</b>	301 273 487,00 CZK	11 369 191,00 EUR	229 414 458,00 CZK	8 369 814,00 EUR	73,62%
<b>CZ04</b>	72 548 196,00 CZK	2 738 809,00 EUR	21 788 438,00 CZK	801 081,00 EUR	29,25%
<b>CZ05</b>	32 909 870,00 CZK	1 242 000,00 EUR	10 423 507,00 CZK	383 164,00 EUR	30,85%
<b>CZ06</b>	569 343 637,00 CZK	21 490 000,00 EUR	203 138 381,00 CZK	7 479 482,00 EUR	34,80%
<b>CZ07</b>	113 308 475,00 CZK	4 277 000,00 EUR	74 624 733,00 CZK	2 746 231,00 EUR	64,21%
<b>CZ08</b>	133 083 245,00 CZK	5 023 623,00 EUR	28 492 383,00 CZK	1 050 552,00 EUR	20,91%
<b>CZ09*</b>	452 551 173,00 CZK	17 078 091,00 EUR	209 550 932,00 CZK	7 656 505,00 EUR	44,83%
<b>CZ10</b>	46 634 603,00 CZK	1 760 000,00 EUR	7 952 026,00 CZK	292 146,00 EUR	16,60%
<b>CZ11</b>	508 142 932,00 CZK	19 180 000,00 EUR	129 340 323,00 CZK	4 774 441,00 EUR	24,89%
<b>CZ12</b>	178 497 268,00 CZK	6 735 817,00 EUR	131 927 120,00 CZK	4 830 553,00 EUR	71,71%
<b>CZ13</b>	22 253 656,00 CZK	840 000,00 EUR	1 798 406,00 CZK	66 556,00 EUR	7,92%
<b>CZ14</b>	166 241 759,00 CZK	6 274 183,00 EUR	33 394 035,00 CZK	1 236 224,00 EUR	19,70%
<b>CZ15</b>	130 558 933,00 CZK	4 928 000,00 EUR	11 373 968,00 CZK	419 629,00 EUR	8,52%
<b>Total</b>	<b>3 215 366 683,00 CZK</b>	<b>124 222 714,00 EUR</b>	<b>1 261 088 549,00 CZK</b>	<b>46 299 346,00 EUR</b>	<b>37,27%</b>

\* The amounts of actually incurred expenditure by POs are available up to 30/4/2016.

### 3.2 Individual Programme summaries

The status of the individual programmes is provided in detail in **Annex 1 – Status of the programmes**.

## 4 MANAGEMENT AND IMPLEMENTATION

### 4.1 Management and control systems

Please refer to the main report regarding capacity issue.

In February 2016 the performance audit of EEA grants was carried out by the EFTA Board of auditors. The audit was focused on the national level (NFP, CA, AA) as well as programmes CZ04, CZ05, CZ06 and CZ07, incl. visits of selected projects. The final audit results are not available yet.

In April 2016 the system audit of management and control systems for EEA/Norway Grants on the national level (NFP, CA, AA) was carried out by the auditors of Moore Stephens contracted by the FMO. There were findings identified and recommendations proposed at NFP, CA and AA responsibilities, no finding was significant one. The NFP, CA and AA are dealing with the follow up of the findings and recommendations in cooperation with the FMO.

As concerns the complaints, the NFP received two complaints in 2016. Both complaints were related to the financial management of projects between the project promoter and donor project partner and were addressed to the FMO that requested the NFP to provide their opinion. In both cases the NFP examined the cases and answered to the FMO that no mismanagement was found.

With effect from 1 July 2016 the CA issued an updated version of the “*Methodology of Financial Flows, Control and Certification of Programmes Financed from the EEA and Norwegian Financial Mechanisms in the 2009-2014 Programme Period*”. The most significant change was made in chapter 8 regarding irregularities as a consequence of the amendment of the Act No. 218/2000 Coll., on Budgetary Rules. As the issue of irregularities has become more significant during the year 2015 it was necessary to specify procedures for reporting and solving of various types of irregularities.

### Audits of management and control systems

In 2016 two system audits (initiated in 2015) at the Programme Operators CZ03 and CZ07 were closed. AA notes that the systems work, they are only minor improvements needed. The results of these audits will be described in detail in the Annual Audit Report 2016.

Taking into account the recommendations of auditors of Moore Stephens, AA carried out the updating of the Annual audit plan for 2016. The Audit Authority will conduct the system audits of the Programme Operator CZ02, CZ04, CZ05, CZ06, CZ08, CZ10, CZ11, CZ13, CZ14, CZ15, Programme Operator CZ12 and Programme Operator CZ09. This will complete the verification of the functionality of the management and control systems for all programs within the EEA and Norway Grants 2009-2014. AA plans to use external resources to ensure the system audits.

**Table: Updated plan of system audits for 2016**

Audit No.	Audit name	Audited entity
FM2/2016/S/001	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ02, CZ04, CZ05, CZ06, CZ08, CZ10, CZ11, CZ13, CZ14 and CZ15	Ministry of Finance
FM2/2016/S/002	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ12	Open Society Fund Prague
FM2/2016/S/003	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ09	Ministry of Youth, Education and Sports

## 4.2 Compliance with EU legislation, national legislation and the MoU

Please refer to the main report.

### Irregularities

Up to 31 August 2016 in total **44 cases** of irregularities were discovered, 33 irregularity cases have been already closed by the FMO. The manner of irregularities related mainly to the errors in payment claims or deviations from procurement procedures (common tender for several programmes where the

Ministry of Finance is the PO), most cases of irregularities, when the particular expenditure has already entered any of the reported IFRs, are to be solved by reductions of eligible expenditures in next IFRs.

Irregularity No.	Amount of irregularity	Nature of irregularity	Identified by	PRG	Status/Remedy
IR-0143	5 000 CZK (monthly exchange rate 27,728 CZK/EUR = 180 EUR)	deviation from the programme agreement	CA	CZ02	<b>Closed.</b> Total grant reduced
IR-0217	3 760,84 CZK (monthly exchange rate 27,048 CZK/EUR = 139 EUR)	error in payment claim	PO	CZ06	<b>Closed.</b> Non-eligible expenditure deducted in IFR
IR-0218	17 500 CZK (monthly exchange rate 27,048 CZK/EUR = 647 EUR)	error in payment claim	PO	CZ04	<b>Closed.</b> Non-eligible expenditure deducted in IFR
IR-0253	21 333,54 CZK (monthly exchange rate 27,048 CZK/EUR = 789 EUR)	error in payment claim	PO	CZ02	<b>Closed.</b> Non-eligible expenditure deducted in IFR
IR-0254	196,4 CZK (monthly exchange rate 27,048 CZK/EUR = 7 EUR)	error in payment claim	AA	CZ08	<b>Closed.</b> Non-eligible expenditure deducted in IFR
IR-0255	263,81 CZK (monthly exchange rate 27,048 CZK/EUR = 10 EUR)	error in payment claim	AA	CZ04	<b>Closed.</b> Non-eligible expenditure deducted in IFR
IR-0306	1. 3 139,57 CZK (the grant part 2 511,66 CZK); monthly exchange rate 27,029 CZK/EUR = approximately 116 EUR (the grant part 93 EUR) 2. 18 564 CZK (the grant part 14 851,20 CZK); monthly exchange rate 27,029 CZK/EUR = approximately 687 EUR (the grant part 550 EUR) - not entered the IFR	error in payment claim	PO	CZ06	<b>On going.</b> Non-eligible expenditure in the amount of 2 512 CZK deducted in IFR and recovered to the PO.  The amount of 14 851,20 CZK was recovered to the PO.
IR-0307	26 352 CZK (monthly exchange rate 27,029 CZK/EUR = 974,95 EUR)	other	AA	CZ06	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0308	19 400 CZK (monthly exchange rate 27,029 CZK/EUR = 717,74 EUR)	error in payment claim	AA	CZ06	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0309	8 640 CZK (monthly exchange rate 27,029 CZK/EUR = 319,65 EUR)	deviation from public procurement procedures	AA	CZ06	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0310	7 283 CZK (the grant part 6 190,55 CZK); monthly exchange rate 27,029 CZK/EUR = 269,45 EUR (the grant part 229,03 EUR)	error in payment claim	AA	CZ09	<b>On going.</b> Costs of the state budget, non-eligible expenditure will be deducted in IFR
IR-0311	130,43 CZK (monthly exchange rate 27,029 CZK/EUR = 4,83 EUR)	deviation from public procurement procedures	AA	CZ13	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0312	4 320 CZK (monthly exchange rate 27,029 CZK/EUR = 159,83 EUR)	deviation from public procurement	AA	CZ10	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR

Irregularity No.	Amount of irregularity	Nature of irregularity	Identified by	PRG	Status/Remedy
		procedures			
IR-0313	21 527 CZK (monthly exchange rate 27,029 CZK/EUR = 796 EUR)	deviation from public procurement procedures	PO	CZ01	<b>Closed.</b> The suspicion of irregularity was not confirmed.
IR-0314	4 320 CZK (monthly exchange rate 27,029 CZK/EUR = 159,83 EUR)	deviation from public procurement procedures	AA	CZ05	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0315	396,40 CZK (monthly exchange rate 27,029 CZK/EUR = 14,67 EUR)	deviation from public procurement procedures	AA	CZ10	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0320	7 425 CZK (monthly exchange rate 27,029 CZK/EUR = 274,70 EUR)	error in payment claim	AA	CZ15	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0321	4 320 CZK (monthly exchange rate 27,029 CZK/EUR = 159,83 EUR)	deviation from public procurement procedures	AA	CZ15	<b>Closed.</b> Non-eligible expenditure will be deducted in IFR
IR-0370	To be confirmed.	error in payment claim	CA	CZ01	<b>On going.</b> Explanation of per diems and publicity on web sites of the Project Promoter.
IR-0371	To be confirmed by the Tax Office; approximately 19 294,89 CZK (monthly exchange rate 27,045 CZK/EUR = 713 EUR)	error in payment claim	CA	CZ01	<b>On going.</b> Recovery of funds from the Project Promoter after confirmation of the amount by the Tax Office.
IR-0375	3 475 CZK (monthly exchange rate 27,113 CZK/EUR = 128,17 EUR) - not entered the IFR	error in payment claim	CA	CZ08	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0377	11 332 CZK (monthly exchange rate 27,029 CZK/EUR = 419,25 EUR)	error in payment claim	CA	CZ02	<b>Closed.</b> Non-eligible expenditure deducted in IFR.
IR-0378	24 347 CZK (monthly exchange rate 27,029 CZK/EUR = 900,77 EUR) - not entered the IFR	error in payment claim	CA	CZ02	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0380	<ol style="list-style-type: none"> <li>368 753,26 CZK (grant part 295 004 CZK); monthly exchange rate 27,045 CZK/EUR = 13 634,79 EUR (the grant part 10 908 EUR)</li> <li>688 CZK (grant part 551CZK) - not entered the IFR; exchange rate 26,50 CZK/EUR = 25,96 EUR (the grant part 20,79 EUR)</li> </ol>	error in payment claim	PO	CZ02	<p><b>On going.</b> Non-eligible expenditure will be deducted in IFR. The Programme Partner recovered the amount of 295 004 CZK to the PO.</p> <p>The amount of 551 CZK has not been recovered to the PO yet.</p>

Irregularity No.	Amount of irregularity	Nature of irregularity	Identified by	PRG	Status/Remedy
IR-0381	11 CZK (monthly exchange rate 27,024 CZK/EUR = approx. 0 EUR) – not entered the IFR  4 CZK (approx. 0 EUR)	error in payment claim	CA	CZ02	<b>Closed.</b> Non-eligible expenditure in the amount of 4 CZK deducted in IFR.
IR-0382	5 CZK (approx. 0 EUR) - not entered the IFR	error in payment claim	CA	CZ06	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0384	46 CZK (monthly exchange rate 27,435 = 1,68 EUR) - not entered the IFR	error in payment claim	CA	CZ15	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0385	1 CZK (approx. 0 EUR) - not entered the IFR	error in payment claim	CA	CZ15	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0387	396 CZK (monthly exchange rate 27,045 CZK/EUR = 14,64 EUR) - not entered the IFR	error in payment claim	CA	CZ04	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0388	1 658 672 CZK (monthly exchange rate 27,029 CZK/EUR = 61 366,40 EUR)	deviation from project contract	PO	CZ04	<b>Closed.</b> Non-eligible expenditure deducted in IFR. Recovery of funds from the Project Promoter to the PO.
IR-0389	7 016,97 CZK (monthly exchange rate 27,029 CZK/EUR = 259,61 EUR)	error in payment claim	AA	CZ11	<b>Closed.</b> Non-eligible expenditure deducted in IFR.
IR-0390	9 754,90 CZK (monthly exchange rate 27,029 CZK/EUR = 360,90 EUR)	deviation from public procurement procedures	AA	CZ11	<b>Closed.</b> Non-eligible expenditure deducted in IFR.
IR-0392	3 485,29 CZK (grant part 2 788,23 CZK); monthly exchange rate 27,045 CZK/EUR = 128,87 EUR (grant part 103,10 EUR)	error in payment claim	PO	CZ11	<b>Closed.</b> The amount of 2 789 CZK recovered by the Project Promoter to the PO. Non-eligible expenditure will be deducted in IFR.
IR-0393	1 748 CZK (monthly exchange rate 27,029 CZK/EUR = 64,67 EUR)	error in payment claim	CA	CZ04	<b>Closed.</b> Non-eligible expenditure deducted in IFR.
IR-0394	162 CZK (monthly exchange rate 27,024 CZK/EUR = 5,99 EUR) - not entered the IFR	error in payment claim	CA	CZ11	<b>Closed.</b> Recovery of funds from the Programme Partner to the PO.
IR-0395	5 839,50 CZK (the grant part 4 671,60 CZK); monthly exchange rate 27,045 CZK/EUR = 215,94 EUR (the grant part 172,73 EUR)	error in payment claim	PO	CZ11	<b>On going.</b> The amount of 4 672 CZK recovered by the Project Promoter to the PO. Non-eligible expenditure will be deducted in IFR.
IR-0451	1 415,70 CZK (monthly exchange rate 27,075 CZK/EUR	error in payment claim	CA	CZ11	<b>In review.</b>

Irregularity No.	Amount of irregularity	Nature of irregularity	Identified by	PRG	Status/Remedy
	= 52,29 EUR) - not entered the IFR				
IR-0493	1 747 CZK (the grant part 1 563 CZK); monthly exchange rate 27,045 CZK/EUR = 65 EUR (the grant part 58 EUR)	error in payment claim	PO	CZ07	<b>In review.</b> Non-eligible expenditure will be deducted in IFR.
IR-0494	10 600 CZK (monthly exchange rate 27,021 CZK/EUR = 392,29 EUR) - not entered the IFR	error in payment claim	CA	CZ15	<b>In review.</b> Recovery of funds from the Programme Partner to the PO.
IR-0495	3 648 CZK (monthly exchange rate 27,075 CZK/EUR = 134,74 EUR) - not entered the IFR	error in payment claim	CA	CZ15	<b>In review.</b> Recovery of funds from the Programme Partner to the PO.
IR-0496	1 CZK (approx. 0 EUR) - not entered the IFR	error in payment claim	CA	CZ08	<b>In review.</b> Recovery of funds from the Programme Partner to the PO.
IR-0497	14 CZK (monthly Exchange rate 27,045 CZK/EUR = 1 EUR)	error in payment claim	CA	CZ06	<b>In review.</b> Non-eligible expenditure will be deducted in IFR. Recovery of funds from the Programme Partner to the PO.
IR-0498	49 801 CZK (monthly exchange rate 27,021 CZK/EUR = 1 843,05 EUR) - not entered the IFR	error in payment claim	CA	CZ02	<b>In review.</b> Recovery of funds from the Programme Partner to the PO.
IR-0499	<ol style="list-style-type: none"> <li>384 CZK (monthly exchange rate 27,021 CZK/EUR = 14,21 EUR) - not entered the IFR</li> <li>138 CZK (monthly exchange rate 27,045 CZK/EUR = 5 EUR)</li> </ol>	error in payment claim	CA	CZ02	<b>In review.</b> The amount 138 CZK will be deducted in IFR.

Detailed description of open irregularity cases or cases already closed but not mentioned in the previous Strategic report is included in **Annex 3**.

### 4.3 Audit, monitoring, review and evaluation

#### Audit Authority

In accordance with the audit plan for 2016 and its update from June 2016 AA continuously carries out audits of operations. AA shall conduct a total of 30 audits of operations. At the date of preparation of this report 27 audits of operations were initiated, 3 audits of operations will be initiated in September 2016. The results of audits will be presented in the Annual Audit Report in December 2016. Updated plan of audits which will be performed in 2016 is attached in **Annex 4**.

#### Certifying Authority

The CA carries out each reporting period on-the-spot checks of PO's expenditure within programmes CZ03, CZ07, CZ09 (once a year) and CZ12. Programmes of the PO = Ministry of Finance have their

expenditures checked by the CA each reporting period within the Ministry of Finance or in the PO's information system CEDR. Primary aim is to check the PO's actually incurred expenditure relating to Management costs, Fund for bilateral relations, Complementary action and payments to Project Promoters. The CA continues to apply these procedures in 2016.

#### National Focal point

National Focal point elaborated plan of the on-the-spot monitoring visits of 4 programmes (CZ03, CZ07, CZ09 and CZ12) in 2016. The monitoring visits will be focused on the management of the programme and sample of projects (mainly 2 projects). NFP contracted the external company Deloitte to assist at the on-the-spot monitoring visits (providing the experts on the programme management and also experts on the programme area, e.g. NGO sector, education, research).

The evaluation of all programmes is planned to be realised from the second half of 2016 till the end of 2017. Each programme (except CZ01) will be individually reviewed and evaluated (evaluation report for each programme) and at the end the summary report of the EEA and Norway Grants in the Czech Republic will be elaborated. Programmes shall be evaluated based on the five evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) with respect to their outcomes and outputs as specified in the Programme Agreements. The recommendations for the next programming period will be a part of the evaluation reports. The tender for external company was launched on 2 September 2016 with the deadline for bids on 20 October 2016.

#### 4.4 Information and publicity

For general information please refer to the main report.

Based on the open tender procedure the Ministry of Finance signed on 19 July 2017 the framework contract for publication of articles in national-wide newspapers with the company Image CZ. Based on this contract and in cooperation with the Project promoters the articles informing the general public about EEA and Norway Grants and supported projects are prepared and published every month in the national-wide newspapers.

The NFP is also preparing new brochures on supported Programmes in the Czech Republic. The first brochure under preparation now is about Programme CZ06 – Culture, PA 17 – Contemporary Art.

Details on information and publicity activities are provided in **Annex 2**.

#### 4.5 Work plan

Please refer to the main report.

### 5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

The National Focal Point identified other relevant lessons learned and recommendations for the future programming period of EEA and Norway Grants:

- Unambiguous interpretation of Regulation and guidelines – clear and unambiguous interpretation of Regulation and guidelines on the part of the FMO as well as by the NFP from the start of the programming period;

- Communication among the FMO, the NFP and POs – the NFP and POs appreciate that the communication proceeded in most cases via e-mails;
- All conditions set by donors within programmes should be stipulated by donors/the FMO in the course of programme preparation and not on the eve of signing programme agreements in order to have the possibility of discussion with all relevant stakeholders;
- Competencies of members of selection committees should be clearly given at the national level by the NFP;
- Support of multilateral projects/initiatives financed from bilateral fund at programme/national level – POs and the NFP would welcome possibility of realization of multilateral projects/initiatives within bilateral fund at programme/national level.

For other raised issues and recommendations please refer to the main report.

## **6 ATTACHMENTS TO THE STRATEGIC REPORT**

1. Status of the programmes
2. Publicity activities
3. List of irregularities
4. Plan of audits 2016, Monitoring and Evaluation plan 2016
5. Risk assessment at the national level
6. Technical Assistance Annual Report 2015 – Up-date



**ANNEX 1 – STATUS OF THE PROGRAMMES**

<b>Programme CZ02</b>	<b>Biodiversity and Ecosystem Services / Environmental Monitoring and Integrated Planning and Control / Adaptation to the Climate Change</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<p><i>Implementation of all open-call projects (35), SGS sub-projects (47 - the final amount of all SGS projects decreased to 47 by declining from realization of one sub-project) and 1 PDP continues. On-site controls have been realized by the PO and the SGS Operator (for SGS).</i></p> <p><i>By August 2016, 10 open-call projects and 18 SGS sub-projects were completed – the final monitoring report is expected to be submitted in upcoming months.</i></p> <p><i>Several project promoters have realized, beside their projects, bilateral initiatives. Until August 2016, 23 bilateral initiatives were approved.</i></p>
<b>progress towards expected outcomes of programme</b>	<i>Progress towards the expected programme outcomes in 2016 is expected through number of completed open-call projects and SGS sub-projects.</i>
<b>Programme outputs achieved</b>	<i>By the advanced implementation phase of the selected projects, the programme outputs are being achieved. As indicated in the previous monitoring period, several outputs will reach higher target value than was planned in the PA. On the other hand, three outputs, “Implementation of management plans measures intensified”, “Environmental monitoring in geoparks intensified” and “New systems for information exchange on climate change impacts and adaptation implemented”, will not reach the planned target value at all. This is influenced by the Selection Committee results and an absence of any realised project within these outputs.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The Programme Operator regularly updates risk analysis to eliminate possible risks. The specific programme risk - seasonal works within project activities, monitored with the higher level of importance in the previous monitoring period, decreased by the realized extension of project implementation period. This allowed monitoring for one additional season. No risks with the highest level of importance are presented in the programme anymore.</i>
<b>major deviations from plan (programme proposal)</b>	<i>After the programme extension until 12/2017 was approved, no other modifications are expected.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>As mentioned above, the possibility to extend the programme and projects led to the modification of the Programme Agreement. No other modifications are expected.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Since January 2015 (launch of the Bilateral fund open call) 23 initiative proposals were approved. By the end of August 2016, the total allocation of the approved applications reached to 73 % of total allocation of the BFB.</i>

<b>Programme CZ03</b>	<b>NGO Programme</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>By August 2016, all open-call projects were completed – the final monitoring report is expected to be submitted in upcoming months.</i>
<b>progress towards expected outcomes of programme</b>	<i>Supported project activities together with the reached Programme outputs were progressively contributing to the expected Programme outcomes. The achievement of the Programme outputs is real. After the assessment of Final Reports submitted in upcoming months, the PO will be able to determine whether the Programme is producing desired results.</i>
<b>Programme outputs achieved</b>	<i>There was already 100% reaching the target values of original expected PRG output indicators. Most of the indicators seem to be achieved more than plan. All projects selected under two Calls have contributed to each of the Programme outputs.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The risk analysis was updated in August 2016. The main risks are connected to the complexity of the Programme, but these risks are successfully abating. In lots of cases the PO have succeeded to mitigate the identified risks during the reporting period (many risks thus obtained lower scoring).</i>
<b>major deviations from plan (programme proposal)</b>	<i>The increase of Programme management in July 2016.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>In the programme one proposal for modification of the Programme Agreement was sent to the FMO, which had an impact on the Memorandum on implementation. The modification was increase of Programme management in July 2016.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>In the area of Bilateral Cooperation, total of 10 projects were supported throughout 2015 under the ongoing call of the Measure B. The Measure A supported total of 14 microgrants within one ongoing Call that was closed on 1 October 2014. With respect to the significant delay in the launch of the Programme, it is anticipated that the funding available under the FBC, aimed at strengthening the cooperation between the Czech NGOs and entities from the Donor States, will be absorbed by the end of the ongoing Call for Measure B.</i>

<b>Programme CZ04</b>	<b>Children and Youth at Risk</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>All projects under the programme except for the pre-defined project were under implementation in the first half of year 2016. In January 2016, the Project Promoter of the pre-defined project withdrew from the project contract due to political reasons. As a result, saved funds from the PDP were allocated into two additional open calls for additional activities for OC projects and SGS sub-projects which were launched in March 2016. Altogether 11 additional activities in 2 OC projects and 9 SGS sub-projects in total amount of 765 220 EUR were supported in June 2016. Projects are regularly monitored via monitoring reports and on-site controls realised by the Programme Operator and the Operator of the SGS.</i>
<b>progress towards expected outcomes of programme</b>	<i>Some progress towards programme outcomes was reported. Programme Operator expects that all set programme outcomes related to open call projects and small grant scheme sub-projects shall be reached and some indicators shall be even exceeded. On the contrary, indicators linked to the pre-defined project were just partially fulfilled and shall not be reached at all.</i>
<b>Programme outputs achieved</b>	<i>Two output indicators linked to SGS were achieved. One output indicator related to open call projects was also fulfilled thanks to finished transformation plans. Unfortunately, the output indicators connected with the pre-defined project shall not be achieved at all due to the closure of the project.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The Programme Operator regularly updates risk analysis to eliminate possible risks. Specific programme risk – political ill will for adoption of new law for protection of children – came true at the start of 2016. Mitigation measures such as launching of two additional calls for projects and sub-projects and detailed monitoring were put in place. Programme Operator also considers reallocation of the rest of funds from the PDP into Bilateral Fund at National Level. The programme ranks to the most risky programmes in the Czech Republic.</i>
<b>major deviations from plan (programme proposal)</b>	<i>Thanks to approved additional activities in 11 projects (2 projects and 9 sub-projects) the implementation of 11 projects was prolonged till April 2017. Owing to the non-implementation of the PDP the adjustments of the programme and the programme agreement especially for programme outcomes and outputs will be made.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>As mentioned above, the amendment of the Programme Agreement will be needed in relation to cancellation of the PDP and possible reallocation of funds into Bilateral Fund at National Level.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>The open call for bilateral fund – measure B was updated and opened for every entity active in the field of Children and Youth at Risk in July 2016. Project promoters and other entities are highly encouraged to submit their proposals.</i>

Programme CZ05	National, Regional and Local Initiatives to Reduce Inter-group Inequalities and to Promote Social Inclusion
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>The only pre-defined project “Campaign against Racism and Hate Violence” is under implementation. The main project activity – Media campaign – progresses in excellent way. All other activities such as education of the police, researches and evaluation are running. Implementation of school activities and good practice exchanges was delayed due to several rounds of tender procedures. Last tender procedure for creation of websites for school activities and good practice exchange is under way. The project implementation period was prolonged till April 2017. Realization of the pre-defined project is regularly monitored by the Programme Operator.</i>
<b>progress towards expected outcomes of programme</b>	<i>Some progress towards the programme outcomes has been achieved; the actual value of indicators has not been increased though.</i>
<b>Programme outputs achieved</b>	<i>Programme output indicator “Number of video spots aimed at young people under 25, aired nationwide” was far more exceeded. Altogether 550 spots were aired in TV and 238 spots were broadcasted in radio in the framework of the media campaign. Programme Operator expects that all other indicators shall be fulfilled till the end of the project realization and some of them even overreached.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>Thanks to the prolongation of the PDP implementation period till April 2017, the time risk was minimised. The promoter envisages that all the project/programme outcomes and outputs should be achieved till April 2017. The main risk factor connected with the time in the first half of year 2016 was repetition of open tender procedures in several project activities. Programme Operator therefore closely monitored all tender procedures and the time schedule in the monitoring reports of the PDP.</i>
<b>major deviations from plan (programme proposal)</b>	<i>The programme and project realization periods were prolonged till April 2017.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>In the context of the programme prolongation, the Programme Agreement was subsequently amended by the FMO (prolongation of the programme implementation period) and confirmed by the NFP in November 2015.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Programme Operator launched the call for submission of grant applications for initiatives financed from the Fund for Bilateral Relations at Programme Level – measure B on 6 March 2015, the call was revised in July 2016 (expansion of eligibility of costs). One bilateral initiative coordinated by the Project Promoter is under preparation. Programme Operator together with Project Promoter and the NFP organized an international conference called “School for Everyone” on the 16 and 17 March 2016.</i>

<b>Programme CZ06</b>	<b>Cultural Heritage and Contemporary Arts</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>All approved projects are either in implementation or completed, having the date of completion of the grant purpose reached. Out of 28 projects in PA16, in total 13 projects are completed. Out of 30 sub-projects in PA17, 27 sub-projects are completed. However, most finished projects are not yet formally concluded with all expenses reimbursed. Bilateral cooperation and activities of bilateral interest with Iceland, Liechtenstein and Norway are being developed.</i>
<b>progress towards expected outcomes of programme</b>	<i>Completed projects have made promising progress towards outcomes of the Programme to be reached. Final inspections on the spot, carried out upon completion of project activities, will focus both on the project financial performance and the inspection of the overall outcomes of the project achieved.</i>
<b>Programme outputs achieved</b>	<i>Completed projects have made significant progress towards the achievement of the Programme outputs. It is too early to objectively measure the Programme's outcomes and outputs as not all projects are completed.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The achievement of the Programme objectives is not threatened. Programme Operator closely monitors projects in order to prevent project level risks. Project monitoring is strengthened by running field project controls, focused on results and follow-up to verify and validate progress being made towards the attainment of results. Thanks to adopting more flexible approach and the use of modern IT system, Programme Operator ensures continuous documentation of the achievements and challenges.</i>
<b>major deviations from plan (programme proposal)</b>	<i>The extension of the final date of eligibility of individually identified projects until 30 April 2017. The unused funds within the PA16 (savings in completed projects) were reallocated to Bilateral Relations Fund, Measure B.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>Total Programme level risk has been reduced thanks to mitigating actions applied in order to decrease risks connected with bureaucratic procedures, lack of flexibility and time delays. The use and constant update of new modern IT system supports smooth project implementation and realization of other components within the Programme, including more effective communication among different stakeholders.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Initial Bilateral Fund allocation (322 350 EUR) was increased based on the Programme Agreement amendment of 28/6/2016, creating the new allocation of 487 451 EUR. Savings from finished projects (PA16) were reallocated to Bilateral Fund, Measure B (165 101 EUR). Open Call for submission of Grant Applications for Initiatives financed from the Fund for Bilateral Relations at Programme Level – Measure B was updated in July 2016. Applications may be submitted continuously until 31 December 2016. So far, 24 initiatives have been approved, of which 15 are fully completed including administrative part and reimbursement.</i>

<b>Programme CZ07</b>	<b>Bilateral Scholarship Programme</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>There were no more calls (re-granting) launched in 2016, the implementation focussed on monitoring of running projects via on-the-spot checks, control of final project reports and promotion of project results as well as deepening bilateral cooperation. There are 3 study visits from the BF planned for 2016 to promote results and partnerships (1 already realized).</i>
<b>progress towards expected outcomes of programme</b>	<i>Substantial progress was made on Outcome 1 (staff and students' mobility): 64 (53 + 11) individual mobilities of HEI staff supported, 71 (67 + 4) students received ECTS credits and 31 (29+2) PhD students supported. There are first results in Outcome 2 (institutional cooperation): 22 joint products and services have been delivered so far.</i>
<b>Programme outputs achieved</b>	<i>The following outputs have been achieved or even overfilled: within EEA grants - Number of mobility applications received by PO – 7 achieved/4 planned, Number of students with received ECTS credits – 4 achieved/4 planned (7 expected), Number of PhD students preparing/presented PhD thesis – 2 achieved /2 planned, Number of new HE mobility agreements – 2 achieved /2 planned, Number of institutional cooperation applications received – 11 achieved/9 planned, Number of bilateral partnership agreements – 2 achieved /2 planned. Within Norway grants - Enhanced competence of HE sector staff as a result of international mobility – 53 mobilities /47 planned, Number of new HE Mobility Agreements – 8 achieved / 8 planned, Number of institutional cooperation applications received – 49 achieved /42 planned, Number of projects - 56 achieved/ 31 planned.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The absorption capacity and the delay in commitment and disbursement proved to be a risk. The PO has partly mitigated the time-risk-delay with the help of transfer of the funds in favour of the BF. The PO successfully copes with the risk of lack in PO's administrative capacity so far; however, the closing year 2016 is expected to be demanding. Proper planning and external staff engaged are seen as effective mitigation measures.</i>
<b>major deviations from plan (programme proposal)</b>	<i>The Programme schedule has been well-adjusted to the shortened implementation period in 2014 and proved to have been well designed also in 2015. The PO has negotiated two PA amendments with respect to the BF and its usage in 2016 (broadening of target groups within BF, broadening of supported activities and transfer of unallocated funds to the BF).</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>Structure and timing of calls and publicity had been adjusted to recuperate the start delay and to mitigate risk in low interest for grants. The PO/NFP request for the change of the PA (extension of targeted eligible applicants/ institutions within Norway grants) was not approved in 2015. There were adjustments done with respect to the BF and its usage in 2016 (see above).</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>In 2016 a seminar for beneficiaries on "Environmental Issues in Bilateral Cooperation in Education" (April 2016) was organized, support of participation at the Outreach seminar in Brussels (June 2016) and a study visit to Norway (June 2016) took place.</i>

<b>Programme CZ08</b>	<b>Pilot studies and surveys on CCS technology</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>The CZ08 PRG is proceeding very well since the 2015 reporting. All 4 projects supported in the Open Call 2014 and 3 extended by additional funds in the addressed Call in mid-2015 were under implementation, one of them has finished duly in 6/2016. The very last remnant from re-granting (115 901 EUR) has been transferred to the Fund for bilateral relations (BF) in mid-2016 (PA amendment) and supported by a BF draft plan.</i>
<b>progress towards expected outcomes of programme</b>	<i>The allocation is split into 2 outcomes – “Completed surveys ...on CCS” (3 projects) and “Increased knowledge ...and awareness ... in CCS” (covered by 1 project, just finished). The first outcome indicator can be reported only by well advancing Outputs so far and assessed in the closing phase of the PRG. The second outcome indicators were fulfilled by successful completion of the one relevant project and shall be assessed after submitting of the completion report.</i>
<b>Programme outputs achieved</b>	<i>The output indicators are in good progress - the Output 1 shall be provided by at least 3 analyses (8 contracted, 0 delivered yet – works ongoing), the Output 2 by at least 5 awareness events (10 contracted, 27 realized up to now). Overfilling of indicators is expected.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The main PRG risk was limited implementation time. In early 2016 prolongation requests of projects were approved and the risk was mitigated. - The threat of not spending the unallocated rest from re-granting was resolved via transfer of the remaining amount (115 901 EUR) to the BF. The BF draft plan ensures sufficient absorption capacity.</i>
<b>major deviations from plan (programme proposal)</b>	<i>The Programme launch was delayed at the start by more than 1 year. In the Open Call 2014 only 2/3 of means were allocated, the 1/3 was reallocated to the CZ09 Programme. The still remaining re-granting means were allocated via an addressed Call (mid 2015) into 3 running projects and the very rest (115 901 EUR) was transferred to the BF in 2016.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>Projects were prolonged in early 2016. The last remaining funds were transferred to the BF. Probably, the similar transfer shall be made from the Complementary action in 4Q 2016 as the means are not accessible to the PO, pursuant Art. 7.11 of the Reg. (no other POs in CCS area).</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>The proportionally decreased allocation for the BF (75 283 EUR, due to reallocation to CZ09) has been fully spent in the open call for BFB initiatives (7 events supported). After approved reallocation the funds were increased by 115 901 EUR and are at disposal via the adjusted rolling Call. There is a draft plan for BF till 2017 (submitted to the PA amendment request) which includes mutual short term internships (CZ-Nor.), bilateral side seminars at international conferences on CCS and preparation of joint research projects into future calls in CCS related area.</i>

Programme CZ09	Czech-Norwegian Research Programme
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>In mid 2016 there are still all 23 supported projects under implementation. The PRG administration runs smoothly, payments are reimbursed upon requests, more than 60 % of the total allocation (incl. 20% co-financing at project level) has been spent so far. The rest from the Open Call (CZK 8,953,000) was allocated to additional Social and Humanities (S&amp;H) scientific activities pursuant Article 6.9 of the Regulation via an addressed call in 2016, the very remnant remaining in the “regranting” item was transferred to the BF in June 2016. The open call for bilateral initiatives was launched on 18 July 2016 (11,026,000 CZK /€ 408,052 available till 20 January 2017). The PO has promoted the CZ09 and shared lessons learned at EARMA Conference in Lulea, Sweden on 21-22 June 2016.</i>
<b>progress towards expected outcomes of programme</b>	<i>The 23 research projects are being implemented, thus regarding achievement of outcomes, no progress can be reported up to now. The projects are managed by 16 promoters from the CR co-operating with 29 project partners. So the Outcome indicator “Number of cooperating research institutions ...in supported projects” (target value 50) - is being approached by currently 45 institutions involved (27–CR,17–NO,1-SUI).</i>
<b>Programme outputs achieved</b>	<i>The Outcome is composed of 3 outputs. The targeted 40 supported projects cannot be reached as 23 projects are finally supported. The indicators aimed at young (Ph.D., postdocs) and female researchers shall be fulfilled. The third indicator – the number of internationally referred scientific publications (40) – cannot be reported yet and will be known after projects completion, the estimate is good.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The main risks consist in the management structure and personnel changes at PO and in effective communication between PO and beneficiaries. Moreover, in mid-2016 problems with a national information system for research and innovation run by the government occurred and effected launch of the BF call (postponed by 1,5 month). - Smooth communication with the NFP proceeded duly – 2 PO/NFP/FMO meetings took place, regular contacts were maintained (e-mail, phone) as necessary.</i>
<b>major deviations from plan (programme proposal)</b>	<i>No deviations occurred.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>PO proposed transfer of unallocated funds of CZK 6,967,200 (approx. EUR 262,913 ) to the BF to make them available via open call launched on 18/7/2016.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Since the Programme start date, the BF has been partly spent for Measure A. The remaining grants were made accessible for Measure B via the open call for proposals published on 18 July 2016. First cut-off for proposals is on 12 September 2016. Furthermore, the BF was increased by 180,000 EUR up to 436,171 EUR to enhance bilateral Czech-Norwegian initiatives.</i>



<b>Programme CZ10</b>	<b>Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>Component 1 of CZ10 has been successfully completed in July 2016. The critical part and also a precondition for achievement of the CZ10 Overall Objective, i.e. the Feasibility Study for SW for mining of unstructured data and related equipment for the FAU (FS) was finally contracted and delivered in June 2016. The FS and its conclusions formed a basis of Component 2 Application, which was submitted for the PO appraisal in August 2016. With respect to the tight time-schedule for the procurement and acquisition of the SW and HW in Comp. 2, the tender dossier has been prepared in parallel with the Comp.2 Application so that the tender may be launched immediately after Comp. 2 is approved (expected in 10/2016).</i>
<b>progress towards expected outcomes of programme</b>	<i>With the termination of Comp. 1, it can be concluded that the relevant part of the CZ10 outcome has been fully achieved, i.e. capacity of the FAU and other institutions dealing within investigation of and combatting corruption increased. The technical capacity of the FAU and the Police shall be strengthened by the procured SW/HW upon completion of Comp.2, i.e by 30.4.2017.</i>
<b>Programme outputs achieved</b>	<i>Indicators relevant for Comp.1 were exceeded – more than 600 officials and representatives of academic and non-governmental sector were involved in workshops, training events and study visits within Comp.1. Five expert studies and comparative analyses were drafted by the Czech experts in cooperation with the experts from the CoE. Cooperation is rated as excellent.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>Procurement of the SW/HW that shall be purchased in Comp.2. The tender shall be launched in 09/2016 so that the contract can be signed by the end of 10/2016 and sufficient time is left for its delivery and installation.</i>
<b>major deviations from plan (programme proposal)</b>	<i>Reduced time-schedule for implementation of Component 1 and mainly Component 2.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<ul style="list-style-type: none"> <li>▪ <i>Reallocation of funds from the Complementary Action to the Fund for Bilateral relations on the Programme level approved by the FMO on 1 July 2016.</i></li> <li>▪ <i>The time schedule related to the FS procurement and delivery and preparation of the Comp.2 Application and Tender Dossier for SW/HW strictly kept, thus no further delays occurred.</i></li> <li>▪ <i>Tender Dossier drafted carefully so that no problems or protractions emerge during procurement.</i></li> </ul>
<b>the use of funds for bilateral relations at programme level</b>	<i>Pre-defined initiative – workshop “Facing the challenges in fighting the terrorist financing” scheduled for 09/2016 in Prague with participation of the Heads or Deputy Heads of the Financial Intelligence Units (or alternative) in Europe. CoE, MONEYVAL and EC shall give speeches.</i>

<b>Programme CZ11</b>	<b>Public Health Initiatives</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>Out of 90 projects, 10 open-call projects and 29 small grant scheme (SGS) sub-projects have been finished. 1 sub-project (NGO) is in insolvency. Implementation of 3 pre-defined projects has continued. These are regularly monitored via monitoring reports and on-site controls realised by Programme Operator (PO). An open call for bilateral fund – measure B (BFB) was updated.</i>
<b>progress towards expected outcomes of programme</b>	<i>So far, 7 127 children benefiting from the improved preventive activities, 9 realised activities leading to improvement of diagnostics of rare diseases and the care for patients with rare diseases (outcome 2 Improved access to and quality of health services including reproductive and preventive child health care) and 3 856 patients benefiting from the improved mental health services (outcome 1 Improved mental health services) have been reported.</i>
<b>Programme outputs achieved</b>	<i>Outputs will be reached mostly at the end of projects implementation. However, within the output Comprehensive rehabilitation system in the mental hospitals implemented it was reported that indicator reached value 6 and indicator of the output Primary and secondary prevention focused on reduction of after effects of diseases, injuries and health problems in child age developed reached value 28. Several outputs should reach higher target value than was planned in the PA. On the other hand, output “NGO activities in the field of care for children” will reach value 12 (planned 15) due to Selection Committee results.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The PO regularly updates risk analysis to eliminate possible risks. No risks with high importance are presented in the programme anymore.</i>
<b>major deviations from plan (programme proposal)</b>	<i>On the basis of results of the Selection Committee for additional activities of the SGS and in order to enable support of all recommended additional activities, on 20 May 2016 the NFP has approved reallocation of 111 105,55 EUR from outcome 2 to outcome 1. This reallocation was in line with article 2.9 of the CZ11 Programme Agreement. In addition, total budget of SGS 2 within the outcome Improved mental health services was further increased and new budget allowing to support all recommended additional activities is 3 217 467,84 EUR. Increase of the allocation for SGS is also in line with the FMO exception to Article 5.6 under the Regulation by letter from 8 September 2015.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>There is need to reallocate not used financial sources to the BFB.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>The final accounting of the initiatives of the BFA took place. Un-used financial sources (57 112 EUR) were reallocated to the BFB. In 2016, 4 initiatives were approved and implemented under the BFB.</i>

<b>Programme CZ12</b>	<b>Mainstreaming of Gender Equality and Promotion of Work-Life Balance / Domestic and Gender-based Violence</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>There were 55 supported projects in total from the programme in the amount of € 5 740 824, out of which 28 projects targeted equal opportunities for women and men and 27 projects targeted domestic and gender-based violence. By August 2016, 47 projects were completed - the final monitoring report is expected to be submitted in upcoming months. The rest of the projects will be completed in October 2016.</i>
<b>progress towards expected outcomes of programme</b>	<i>Although the interest of the Applicants in the programme's outcomes have differed since the beginning of the programme, the outputs of the programme are more or less successful and all the selected projects contribute to the programme outputs, as well as being in line with the expected programme outcomes.</i>
<b>Programme outputs achieved</b>	<i>All 55 projects were in line with the expected programme outputs and are regularly contributing to the established programme outputs. Moreover, project monitoring shows that some projects will exceed expectations and their defined outputs will be expanded.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The risk analysis was updated in August 2016. All the possible risks identified within the cohesion (programme) outcomes were diminished in 2015. The most significant risks are reaching outcomes at project/programme level. But due to the option of the extension of the projects this risk is eliminated.</i>
<b>major deviations from plan (programme proposal)</b>	<i>In the programme several proposals for modification of the Programme Agreement were sent to the FMO. These changes had no major impact on the final programme proposal.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>In the Annex II of the Programme Agreement there was amendment of the payment flows. The extension of the final date of eligibility of individually identified projects until 30 April 2017.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Regarding the programme level, the PO organized two important events as a part of complementary actions – an international high-level conference on the elimination of gender-based violence in May 2015 in Prague and a study visit on gender-based and domestic violence in Oslo for journalists and NGO experts and practitioners in September 2015. Regarding the project level there were 10 applications submitted by the end of 2015. The current commitment is around 36 % of programme allocation. The main reason on the PPs' level is the lack of time and personal capacity to find a suitable Norwegian partner institution and to prepare the application.</i>

Programme CZ13	Domestic and Gender-based Violence / Mainstreaming of Gender Equality and Promotion of Work-Life Balance
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<p><i>In July 2016 the Action Plan for Balanced Representation of Women and Men in Decision-making Positions for the Years 2016 – 2018 was adopted by the Czech Government. PDP Promoter provided a technical support for public hearing of Czech republic on the meeting of UN Committee on the Elimination of Discrimination against Women in February 2016. During March 2016 the Czech delegation, led by the Minister for Human Rights, Equal Opportunities and Legislation participated at the 60<sup>th</sup> session of the Commission on the Status of Women in New York. The Czech Republic organised two side-events (organization was led by the PP). PP organized a national conference on domestic violence designed for bodies of social and legal protection of children; PP worked on completion of planned analyses and organized a student competition in Graduation thesis. The PDP Promoter continued partnership and cooperation with a Norwegian partner - the NGO Alternative til Vold (ATV).</i></p>
<b>progress towards expected outcomes of programme</b>	<p><i>The first outcome, domestic violence prevention and reduction, has not been achieved yet. But some of the proposed indicators have been already reached, e.g. National Action Plan for the Prevention of Domestic and Gender-based Violence for 2015 – 2018 was adopted by the Government and there have been raising awareness conferences on various aspects of domestic violence. The second outcome, improvement of balance between work and private life, will be achieved with completion of pre-defined project in 2017.</i></p>
<b>Programme outputs achieved</b>	<p><i>In 2016 the following activities were realized: 2 Side-events were organized at the occasion of the 60<sup>th</sup> session of the Commission on the Status of Women in New York; Hearing of the Czech delegation on the meeting of the Committee on the Elimination of Discrimination against Women, Competition for students in Graduation thesis on gender equality was successfully finished. ToRs of analyses were set and work on them continued; Preparation of public procurement for media campaigns continued.</i></p>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<p><i>The main risks consist in personnel changes and tense time management in implementation process of activities at the PDP level.</i></p>
<b>major deviations from plan (programme proposal)</b>	<p><i>The Programme is delayed by about 1,5 year regarding the original schedule in the FPP.</i></p>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<p><i>There is a strong tense in a PDP implementation schedules and the project cope with a 2 years delay thus proper monitoring is the most effective tool for risk mitigation.</i></p>
<b>the use of funds for bilateral relations at programme level</b>	<p><i>The new Call for Proposals within Bilateral Fund at the Programme level – Measure B (BFB) was launched at the end of July 2016. The call is still ongoing because there has not been submitted any application so far.</i></p>

<b>Programme CZ14</b>	<b>Schengen Cooperation and Fight Against Cross-border and Organized Crime, including Illicit Trafficking and Itinerant Criminal Groups</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>All 6 PDPs were in full implementation during 01-08/2016, all public procurements were finalized and the contracts were signed. Final conference of the PDP6 took place in 04/2016, the PDP5 final conference will be held in 09/2016. The original extent of the projects will be completed by 04/2017. Additional activities' public procurements are undergoing in PDPs no. 2 and 4.</i>
<b>progress towards expected outcomes of programme</b>	<i>2 out of 3 outcomes were exceeded already in 2015 – number of travellers controlled by eGates (target 340 000, current 600 000, and will be even increased by 04/2017), eGates in operation (target 10, current 12, and will be also increased by 04/2017 to 17 eGates in operation). The third programme outcome – analytical study was delivered in 04/2016 and distributed during the final conference of the PDP6.</i>
<b>Programme outputs achieved</b>	<i>Most of the programme outputs were achieved by 08/2016 except the National Control Authority which was established, but in testing operation until 02/2017.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The risks (timely tender procedures) were mitigated by the prolongation of the project implementation period until 04/2017. All public procurements were finalized, except for the procurements related to the additional activities.</i>
<b>major deviations from plan (programme proposal)</b>	<i>A major deviation consists in the prolongation of the project implementation period until 04/2017. PDP6 will be implementing the project until November 2016, all other PDPs made full use of the opportunity to prolong the period till April 2017. Substantial additional activities are planned within the PDP2 and PDP4.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>There is no need for adjustments at the moment. The PDPs are being implemented according to the plan after the prolongation of the implementation period of the projects.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Approximately 30% of the funds allocated to the BFB were approved for 3 initiatives, 1-2 initiatives are being prepared by the Project Promoters. The call for proposals for grants under the Fund for bilateral relations, measure B, was updated in 07/2016. To spend the allocation in its entirety, the range of eligible applicants will be extended by other programme area related entities besides the Project Promoters.</i>

<b>Programme CZ15</b>	<b>Capacity Building and Cooperation in Justice / Correctional Services including Non-custodial Sanctions</b>
<b>overall progress - Programme implementation (incl. projects implementation)</b>	<i>PRG as well as PDPs implementation was extended (PDP2 by 10/2016, PDP1 and PDP3 - 7 by 04/2017). Implementation of all PDPs except for PDP2 was delayed mainly due to long tendering process. Realisation of soft and hard activities within all PDPs except for PDP6 is in progress and it is expected that projects will be successfully finished by 04/2017. Construction works within PDP6 have not been tendered yet (unsuccessfully tendered 4 times), timely completion is endangered.</i>
<b>progress towards expected outcomes of programme</b>	<i>Delayed implementation of PDPs slowed down fulfilling of outcomes indicators. Development within projects in recent months proved that the potential of their fulfilment is good. The system of further education of PMS staff within PDP2 has already been drafted and piloted; it will be fine-tuned in upcoming months. The risk is connected with the outcome related to overcoming challenges connected to prison overcrowding due to problematic tendering in PDP6.</i>
<b>Programme outputs achieved</b>	<i>There is a progress in fulfilment of outputs indicators since beginning of 2015, PDP2 has already fulfilled all originally set indicators, and scope of project was enlarged thanks to savings. Videoconferencing sets within PDP1 were installed and training of users is in progress. Soft activities within PDP3 are in progress and related indicators have been gradually fulfilled. Outputs within PDP4 – 7 can be achieved only after completion of construction works.</i>
<b>potential risks that may threaten the achievement of the objectives set out in the Programmes</b>	<i>The risk analysis was updated in 08/2016. The time risk still remains crucial, even though extension of projects' implementation period has been approved. Development within PDP6 shows that the risk is still valid.</i>
<b>major deviations from plan (programme proposal)</b>	<i>As regards the substantive content of the Programme, no deviations were identified. Activities have been/will be extended within several projects thanks to savings. This will have positive impact also on target values of programme outputs and bilateral relations where exceeding of the target value is expected. The major deviation concerns time schedule.</i>
<b>the need for adjustments of programme plans, including actions for risk mitigation</b>	<i>The new version of Annex I and II to PA reflecting the extension of final eligibility date of all PDPs until 30 April 2017 entered into force in 01/2016.</i>
<b>the use of funds for bilateral relations at programme level</b>	<i>Six initiatives were approved and implemented by 08/2016 within BFB and 92% of the BFB allocation has been contracted. Further possibilities of the use of fund will be discussed at next CoCo meeting.</i>

## ANNEX 2 – PUBLICITY ACTIVITIES IN 2016 (January – August)

In 2016 several Projects Closing and Press conferences were held. The Ministry of Finance – the NFP and Programme Operator communicate with Programme Partners and Project partners and attend some of these conferences as an opportunity to monitor the supported projects. These events are opportunities to take photos and write articles which are published on the website ([www.eegrants.cz](http://www.eegrants.cz) and [www.norwaygrants.cz](http://www.norwaygrants.cz)) and through the social media. These are important materials that gave an opportunity to compare the results of the implementation of the projects and have the big value for the publicity of EEA and Norway Grants.

**Table A. Attendance analysis of websites for period 1 January – 31 August 2016**

Number of sessions	Number of users	User's Country	The busiest days	Avg. session duration
38 079	19 786	Czech Republic 91,10%	18 January 2016 – 762 sessions	2 min 31 s
Avg. number of pages visited per session	Returning visitors	Norway 1.97%	4 January 2016 – 326 sessions	
3,68	51,2%	Slovakia 1.53%		

The Ministry of Finance, as the NFP and PO, also uses social media (Facebook) for promotional purposes where information is added continuously, including photos and video recordings. This mainly involves information relating to prepared/completed events, etc. The Facebook page has little bit over 1 thousand followers.

The NFP and PO – Ministry of Finance is supplied with the promotional materials with EEA and Norway Grants logos (notebooks, bags, paper folders and pens), which are used in seminars, conferences and workshops as part of the promotion of the EEA and Norway Grants.

Based on the open tender procedure the Ministry of Finance signed on 19 July 2017 the framework contract for publication of articles in national-wide newspapers with the company Image CZ. Based on this contract and in cooperation with the Project promoters the articles informing the general public about EEA and Norway Grants and supported projects are prepared and published every month in the national-wide newspapers.

### Publicity activities within programmes (Programme Operator / Programme Partner)

#### **Programme CZ01 – Technical Assistance and Fund for Bilateral Relations at national level (Ministry of Finance / NFP)**

The second and third open calls are fully utilized now and they are closed. A list of approved applications under the Fund for Bilateral Relations at national level is regularly published at the website in the middle of each month. Based on the changes in the 3rd Call, the Ministry of Finance updates and published the Guideline for applicants and final beneficiaries.

On 1 March 2016 the *Presentation of the Analyses of bilateral co-operations between entities from the Czech Republic and entities from donor states in the context of the EEA and Norway Grants 2009 – 2014* was held in Prague for the interested parties – NFP, Project Promoters, sectoral ministries, DPPs, FMO and the Royal Norwegian Embassy in Prague. The analysis is available to download at the website.

The NFP also organized in Prague on 16 – 17 March 2016 the international conference *School for Everyone* focused on inclusion in education accompanied by the excursions to schools – [www.skolaprovsechny.cz](http://www.skolaprovsechny.cz) (CZ05 + CZ01). The conference had a great success.

**Programme CZ02 – Environment** (Ministry of Finance / Ministry of Environment)

The Conferences of few projects have already been held. For example the Conference *Wetlands in Agricultural Landscapes* was held in České Budějovice on 11-16 October 2015. This conference became a forum for the exchange of scientific knowledge and practical experience regarding wetlands, their state and role in agricultural landscapes of Europe.

Lots of projects made an entertaining and instructive websites, which are announced on NFP Facebook/website.

**Programme CZ03 - Non-Governmental Organizations** (Civil Society Development Foundation)

More information about the Programme and Project outcomes has been publishing on website: <http://www.fondnno.cz/en/>. The same website has also the calendar, where information about projects cultural and media events as exhibitions, concerts or press conferences and interviews have been regularly updating.

**Programme CZ04 - Children and Youth at Risk** (Ministry of Finance / Ministry of Labour and Social Affairs)

The projects have the visible outcomes which present through their websites and social media. Also the 2<sup>nd</sup> Call for applications from the Fund for Bilateral Cooperation at programme level was open on July 2016. That means, all entities competent in the programme area Children and Youth at Risk can apply for a bilateral initiative financed from the Fund.

**Programme CZ05 - National, Regional, Local Initiatives to Reduce Inter-Group Inequalities and to Promote Social Inclusion** (Ministry of Finance)

International conference *School for Everyone*, was held in Prague on 16-17th March and had a great media success.

**Programme CZ06 – Culture** (Ministry of Finance / Ministry of Culture)

Programme is divided into two parts:

- protection, revitalization and presentation of movable and immovable cultural heritage
- cultural diversity and intercultural dialogue

Both areas attract a lot of public's attention. As the National Focal Point focuses on campaign for printed media, an article about project called *The rack railway - Unique and living cultural heritage of the Jizera Mountains and the Giant Mountains* was written and published in two daily newspaper.

The cultural programme, supported by EEA and Norway Grants, is very rich – involves performances, exhibitions, concerts, visits of cultural heritage etc. The invitations on these actions have been posted through Facebook. NFP always try to make clear the connection between the EEA grants and each of the cultural activities.

**Programme CZ07 - Scholarship Programme** (Dům zahraniční spolupráce - Centre for International Cooperation in Education / Ministry of Education, Youth and Sports)

Many seminars and information meetings focused on Programme CZ07 and its projects were held. As an example the seminar on the topic *Environmental Issues in Bilateral Cooperation in Education*, which took place on 28 April 2016 in Brno. The target group of the seminar were the beneficiaries within the Scholarship Programme in the Czech Republic (CZ07) and other representatives of institution in the Czech Republic and the Donor States.

Also many articles and advertisements were published in the on-line or printed media.



**Programme CZ08 - Carbon Capture and Storage** (Ministry of Finance/ Ministry of the Environment)

Few conferences, also for the general public, were held.

**Programme CZ09 - Czech-Norwegian Research Programme** (Ministry of Finance/ Ministry of Education, Youth and Sports)

On 26 May 2016 the Ministry of Education, Youth and Sports announces the results of the *Reallocation of unused institutional support to additional research activities within the Social Sciences and Humanities thematic area* in the Czech-Norwegian Research Programme CZ09.

MEYS will support additional research activities of four currently implemented projects. The total amount of additional institutional support from the Programme for selected proposals is 8,953,000 CZK in total. The amount of support was approved by the Programme Operator on 24 May 2016.

**Programme CZ10 - Capacity Building and Institutional Cooperation** (Ministry of Finance)

Several activities for public and the final conference were successfully organized within this period.

As an example: Workshop *Methods of implementing regimes for criminal liability of legal entities for the Czech Republic* in January 2016, international conference *Challenges in the area of Assets Recovery* in March 2016 and two-day international conference on *Corruption risks in the financing of political parties and election campaigns* in April 2016.

**Programme CZ11 - Public Health** (Ministry of Finance / Ministry of Health)

Programme is divided into two areas:

- mental health care
- healthcare for children

and both areas attract also a lot of public's attention. Articles and photos from visited places and conferences are published on the NFP website and Facebook and it has a great response. This is mainly because it is not easy to find the financial means, which are needed for these areas. Norway grants are appreciated for useful support and people react well on published information.

Most of the projects are finished. The projects promoters sent the NFP photos and articles as an example of a good practice. NFP sent these materials also to FMO and Donors for their use.

**Programme CZ12 - Let's give (wo)men a chance** (Open Society Fund)

The Programme has its own website created by Open Society Fund. The website is regularly updated. OSF cooperates with NFP and also informs about the news in EEA and Norway Grants through their website.

**Programme CZ13 - Domestic and Gender-based Violence** (Ministry of Finance)

Several conferences with great media coverage were held during this year. Jiří Dienstbier, Minister of the Czech Republic's Government for Human Rights, attended some of these conferences. The Czech Republic follows an Action Plan for Prevention of Domestic and Gender Based Violence for the years 2015-2018.

**Programme CZ14 - Schengen Cooperation** (Ministry of Finance / Ministry of Interior)

The workshop, within the EEA and Norway Grants 2009-2014 for 5 Programme areas focused on Justice and Home Affairs, was held from 15 to 16 March 2016 in Bucharest. The first day of the workshop was focused on sharing best practices of Programmes implementation in each country. The second day of the workshop was focused mainly on publicity.

The Programme CZ14 has its own website created by the Police Presidium of the Czech Republic which is the Project Promoter for all 6 PDPs. The website covers every single PDP and the achieved results under each of the projects.

The biggest media coverage was reached within PDP3 (eGates) after the first round of installation of 10 eGates. Several international media on airport security and electronic personal identification wrote articles about the project at the Vaclav Havel airport in Prague.

The NFP wrote also the article about e-gates and published it in the local media.

**Programme CZ15 - Cooperation in Justice** (Ministry of Finance / Ministry of Justice)

The workshop, within the EEA and Norway Grants 2009-2014 for 5 Programme areas focused on Justice and Home Affairs, was held from 15 to 16 March 2016 in Bucharest. The first day of the workshop was focused on sharing best practices of Programmes implementation in each country. The second day of the workshop was focused mainly on publicity.

**Plans in publicity and information**

19 – 20 September 2016, **FIU's workshop "Facing new challenges in combating terrorist financing"** - follow-up event to the Anti-corruption conference, Prague (CZ10 + CZ01)

4 October 2016, **Conference on the progress in implementation of EEA and Norway grants 2009-2014 in the Czech Republic, Lessons Learn and Best Practice**, Prague (CZ01 – Technical Assistance)

15 October 2016, **Conference "Beyond Stigma, Towards Equity"** (Public Health Initiatives), Prague (CZ01 – Fund for bilateral relations at national level)

17 October 2016, **Symposium "Primary Prevention of Psychiatric Disorders"** (Public Health Initiatives), Prague (CZ01 – Fund for bilateral relations at national level)

19 – 20 October 2016, **Conference "Tundra here, Tundra there"** (Environment), Krkonoše (CZ01 – Fund for bilateral relations at national level)

November, **5<sup>th</sup> Annual meeting of EEA and Norway Grants**, Prague (CZ01 – Technical Assistance)

8 December 2016, **Workshop "Evaluation of the National eHealth Strategies and Recommendations for Implementation"** (Public Health Initiatives), Prague (CZ01 – Fund for bilateral relations at national level)

## ANNEX 3 – LIST OF IRREGULARITIES

### Detail description of irregularities

The suspected case of irregularity (**case IR-0306**) in the CZ06 programme was reported in October 2015 by the Programme Operator. The PO detected two suspected cases of irregularities within the project No. EHP-CZ06-PDP-1-001-2014. First, during the on the spot monitoring check a duplicate reporting of working hours of the Project Promoter's employee was detected in the total amount of 3 139,57 CZK/the grant part 2 511,66 CZK which was claimed for reimbursement in the Monitoring report No. 1 (approx. 116 EUR/the grant part 93 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR). This Monitoring report was paid by the Programme Operator on 22<sup>nd</sup> May 2015. Second, based on the Project Promoter's information it was detected that an invoice for technical assistance paid by the Project Promoter in the total amount of 18 564 CZK/the grant part 14 851,20 CZK (approx. 687 EUR/the grant part 550 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR) was requested for reimbursement in two Monitoring reports (in the Monitoring report No. 1 and also in the Monitoring report No. 2). These monitoring reports were paid by the Programme Operator on 22<sup>nd</sup> May 2015 and on 16<sup>th</sup> November 2015. Both suspected cases of irregularities are under investigation of the PO. Therefore no measures have been proposed yet.

The irregularity (**case IR-0310**) in the CZ09 programme was reported in November 2015 by the Audit Authority. Based on the AA's report there was a wrong calculation of salaries of PO employees. The PO reported to the FMO a forecast of the December 2013 salaries and not the actually spent expenditures. These expenditures were reported to the FMO within the PO's Management costs in the Reporting of actual incurred expenditure No.1. The total amount of 7 283 CZK/the grant part 6 190,55 CZK (269,45 EUR/the grant part 229,03 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR) will be corrected in the Reporting of actual incurred expenditure #4 and reported as non-eligible in January 2016.

The irregularity (**case IR-0370**) in the CZ01 programme was reported in February 2016. Based on the check of expenditure related to the initiative of the Project Promoter Czech Globe of the Academy of Science during 11th CZ01 certification the CA raised questions regarding publicity and per diems. The CA did not receive any reaction by submission dates of the 11<sup>th</sup> and 12<sup>th</sup> IFRs and thus the related expenditure was not yet included in the IFR. Up to now, the project promoter has not included publicity on their webpages and the CA has not yet received clarification regarding the amount of per diems. The expenditure for webpages creation was 18 030 CZK / approx. 667 EUR (using May 2016 monthly exchange rate 27,045 CZK/EUR), the amount paid for per diems was 33 757,60 CZK / approx. 1 248 EUR (using May 2016 monthly exchange rate 27,045 CZK/EUR).

The irregularity (**case IR-0371**) in the CZ01 programme was reported in February 2016 by an internal letter of the Certifying Authority to the CZ01 PO. The suspicion was discovered by the CA during certification of expenditure related to the 11th CZ01 IFR. The project promoter included in their Request for payment full amount of the food allowance related to their expert's study trip even though full pension was provided within the accommodation – the requested amount should have been shortened by 75 % in that case. The suspected case of irregularity amounts to 19 294,89 CZK / approx. 713 EUR (using May 2016 monthly exchange rate 27,045 CZK/EUR). The amount of irregularity is dependent on the decision of the Tax Office.

The irregularity (**case IR-0375**) in the CZ08 programme was firstly reported in January 2016 by the Certifying Authority. During the certification duplicate reporting of the social insurance of the Programme partner's employee was detected in the total amount of 3 475 CZK (approx. 128,17 EUR using November 2015 monthly exchange rate 27,113 CZK/EUR). The expenditure did not enter the IFR

but was reimbursed to the Programme Partner who shall recover the funds to the PO. The case was closed by the FMO.

The irregularity (**case IR-0377**) in the CZ02 programme was firstly reported in May 2016 by the Certifying Authority. During the certification it was detected that the expenditures in the amount of 11 332 CZK (419,25 EUR using January 2016 monthly exchange rate 27,029 CZK/EUR) related to the business trip incurred by the Programme Operator are non-eligible. The participants claimed the expenditures even for the period when the business trip was interrupted. The Programme Operator has to recover the funds from the budgetary chapter of the Ministry of Finance. The non-eligible expenditure was deducted in IFR. The case was closed by the FMO.

The irregularity (**case IR-0378**) in the CZ02 programme consists of 3 irregularities firstly reported in January and May 2016 by the Certifying Authority. During the certification following cases of actual irregularities were detected: 1. Duplicate reporting of the social insurance of the Programme partner's employee in the total amount of 3 475 CZK., 2. Expenditures in the total amount of 20 871 CZK did not enter in the Programme partner's accounting system as the EEA/Norwegian grants and 3. The wrong rounding in the total amount of 1 CZK within the expenditures of the motivation costs submitted for the reimbursement by the Programme partner. The total amount of irregularity equals to 24 347 CZK (900,77 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR). The case was closed by the FMO.

The irregularity (**case IR-0380**) in the CZ02 programme was firstly reported in May 2016 by the Programme Operator. This irregularity case consists of 4 irregularities. 1. Within the travel expenses of foreign partner's study trip there expenditure for an air ticket of a person who didn't take part in it was included. This to the PP already reimbursed expenditure is non-eligible. 2. Within the first monitoring report a Project Promoter claimed for reimbursement of 36 computers of special equipment for measuring. In the tender documentation there were 33 computers requested. The expenditures for the differences (3 computers) are non-eligible. 3. Public procurement of evaluation on the bids of a small-scale tender was non-transparent. The Project Promoter merely considered the cost of the tender while it had declared other criteria to be estimated in the tender documentation beforehand. 4. It was detected that expenditure for financial transaction was requested for reimbursement. The expenditures for travel insurance are non-eligible. The non-eligible expenditure regarding first three cases in the amount of 295 004 CZK (10 908 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) will be corrected in IFR and have already been recovered by the Programme Partner to the PO. The fourth case, the recovery of 551 CZK (20,79 EUR using exchange rate 26,50 CZK/EUR) by the Programme Partner to the PO is still pending.

The irregularity (**case IR-0381**) in the CZ02 programme was firstly reported in January 2016 by the Certifying Authority. The wrong rounding in the total amount of 15 CZK was detected within the expenditures of the motivation costs submitted for the reimbursement by the Programme partner. The expenditures in the total amount of 11 CZK (approx. 0 EUR) have not been reported to the FMO yet. The expenditures in the total amount of 4 CZK (approx. 0 EUR) have already been reported to the FMO and subsequently deducted in IFR. The case was closed by the FMO.

The irregularity (**case IR-0382**) in the CZ06 programme was firstly reported in January 2016 by the Certifying Authority. During the certification it was detected that a reported expenditure in the total amount of 5 CZK (approx. 0 EUR) did not enter in the Programme partner's accounting system as the EEA/Norway Grants. The Programme Partner shall recover 100% of the non-eligible amount. The expenditure has not entered the IFR yet. The case was closed by the FMO.

The irregularity (**case IR-0384**) in the CZ15 programme was firstly reported in October 2015 by the Certifying Authority. During the certification process a difference between the reported amount in

documents submitted to the Certifying Authority and the amount actually paid and reported in the Programme partner's accounts was detected in the total amount of 46 CZK (1,68 EUR using May 2015 monthly exchange rate 27,435 CZK/EUR) within the expenditures on a salary of the Programme partner's employee submitted for the reimbursement by the Programme partner. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet. The case was closed by the FMO.

The irregularity (**case IR-0385**) in the CZ15 programme was firstly reported in January 2016 by the Certifying Authority. During the certification process a difference between the amount on the wage sheet and the amount reported in the Programme Partner's accounting system was detected in the total amount of 1 CZK (approx. 0 EUR) within the expenditures on employee's remuneration submitted for a reimbursement by the Programme partner. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet. The case was closed by the FMO.

The irregularity (**case IR-0387**) in the CZ04 programme was firstly reported in January 2016 by the Certifying Authority. It was detected during the certification that the expenditure of fee for electronical signature in the amount of 396 CZK (14,64 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) was not recorded in the Programme Partner's accounting system. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet. The case was closed by the FMO.

The irregularity (**case IR-0388**) in the CZ04 programme was firstly reported in January 2016 by the Project Promoter. During the on-the-spot monitoring check there was detected that the Project Promoter did not provide the Programme Operator with full information about a progress within the project. The PP notified that fulfilling the main target of the project is threatened especially because of the current political situation in the Czech Republic which is not favourable to accepting this new legislation regarding child protection. The amount of 1 658 672 CZK (61 366,40 EUR using January 2016 monthly exchange rate 27,029 CZK/EUR) was corrected in the IFR and reported as non-eligible. The Project Promoter has already recovered the funds to the PO. The case was closed by the FMO.

The irregularity (**case IR-0389**) in the CZ11 programme was firstly reported in November 2015 by the Audit Authority. Based on their report there was detected a wrong calculation of salaries and bonuses paid to PO employees in the total amount of 7 016,97 CZK (259,61 EUR using January 2016 monthly exchange rate 27,029 CZK/EUR). The PO claimed higher amount in IFRs than was actually paid. The AA proposed practices how to prevent occurring those irregularities in the future such as thorough payrolls check with human resources /payroll departments. The non-eligible expenditure was deducted in IFR. The case was closed by the FMO.

The irregularity (**case IR-0390**) in the CZ11 programme was firstly reported in November 2015 by the Audit Authority. Based on their report there was detected an inefficient procedure in ordering legal services from external company instead of using the internal legal department at the Ministry of finance. Based on this argument, the expenditure was declared inefficient and thus according to the provisions of the Regulation also ineligible. The amount of irregularity equals to 9 754,90 CZK (360,90 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR) and was reported as non-eligible in IFR. The case was closed by the FMO.

The irregularity (**case IR-0392**) in the CZ11 programme was firstly reported in December 2015 by the Programme Operator. During the on-the-spot monitoring check there was detected that the Project Promoter requested reimbursement of VAT to an incurred expenditure in the total amount of 3 485,29 CZK / grant part 2 788,23 CZK (128,87 EUR / 103,10 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) even though the VAT was claimed back from the Tax Office. The amount of 2 789 CZK has

already been recovered by the Project Promoter to the PO. The non-eligible expenditure will be deducted in IFR. The case was closed by the FMO.

The irregularity (**case IR-0393**) in the CZ04 programme was firstly reported in September 2016 by the Certifying Authority. It was detected that an expenditure regarding refreshment in the total amount of 1 748 CZK (64,67 EUR using January 2016 monthly exchange rate 27,029 CZK/EUR) was not recorded in the Programme Partner's accounting system. The amount was reported as non-eligible expenditure in IFR. The case was closed by the FMO.

The irregularity (**case IR-0394**) in the CZ11 programme was firstly reported in February 2016 by the Certifying Authority. During the 7th certification there was detected that the travel insurance of the Programme partner representatives in the total amount of 162 CZK (5,99 EUR using December 2015 monthly exchange rate 27,024 CZK/EUR) was claimed for reimbursement despite the fact that the Programme partner had it covered directly from their budgetary chapter with no claim to have the expenditure reimbursed from the Financial mechanisms. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet. The case was closed by the FMO.

The irregularity (**case IR-0395**) in the CZ11 programme was firstly reported in February 2016 by the Programme Operator. During the on-the-spot monitoring check there was detected that the Project promoter claimed indirect costs (training fees in the amount of 5 839,50 CZK / the grant part 4 671,60 CZK (215,94 EUR / the grant part 172,73 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) despite the fact that this kind of expenditure is not considered as indirect cost. The amount of 4 672 CZK has already been recovered by the Project Promoter to the PO. The non-eligible expenditure will be deducted in IFR.

The irregularity (**case IR-0451**) in the CZ11 programme was firstly reported in May 2016 by the Certifying Authority. During the 8th certification there was detected that the expenditure regarding legal services was not incurred in compliance with the signed contract between the Programme Partner and the contractor. The amount of irregularity 1 415,70 CZK = 52,29 EUR (using April 2016 exchange rate 27,075 CZK/EUR) has not entered the IFR yet.

The irregularity (**case IR-0493**) in the CZ07 programme was reported in June 2016 by the Programme Operator. The irregularity was detected by the PO during preparation of the CZ07 Programme closure. The expenditure reported in the 1st IFR exceeded the expenditure registered in the accounting system. The difference relates to salaries paid out over the period July – November 2012. The amount of irregularity amounts to 1 747 CZK / approx. 65 EUR using the May 2016 monthly exchange rate 27,045 CZK/EUR). 1 563 CZK / approx. 58 EUR is covered by the EEA/Norway Grants. The incorrectly reported amount will be deducted in IFR.

The irregularity (**case IR-0494**) in the CZ15 programme was firstly reported in May 2016 by the Certifying Authority. During the certification process it was detected that the expenditures related to the business trip (the air ticket) incurred by the Programme partner were non-eligible. Within the expenditure checked an air ticket amounting to 10 600 CZK (392,29 EUR using February 2016 monthly exchange rate 27,021 CZK/EUR) for a person who didn't take part in the relevant business trip – Contact seminar in Norway was identified. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet.

The irregularity (**case IR-0495**) in the CZ15 programme was firstly reported in May 2016 by the Certifying Authority. During the certification process it was detected that the expenditures related to the accommodation incurred by the Programme partner were non-eligible. It regards the expenditure of accommodation in the total amount of 3 648 CZK (134,74 EUR using April 2016 monthly exchange rate 27,075 CZK/EUR) for the person, who didn't take part in the relevant study visit to Norway. The

Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet.

The irregularity (**case IR-0496**) in the CZ08 programme was firstly reported in June 2016 by the Certifying Authority. During the certification there was detected that the reported amount related to salary of the Programme Partner's employee is not in compliance with the supporting documentation. This amount of irregularity equals to 1 CZK (approx. 0 EUR). The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet.

The irregularity (**case IR-0497**) in the CZ06 programme was firstly reported in August 2016 by the Certifying Authority. Based on the article 5.6.6 and 7.2.3 of the Regulation the expenditure incurred by the small grant scheme operator is required to be reported by the operator (Programme Partner) on the monthly basis. Because the internal reporting system (CEDR) was not fully prepared for this monthly reporting till the end of the year 2014 all the expenditure reported by the Programme Partner was declared just on a basis of their declaration. However, there was detected during the subsequent internal control that the total expenditure amounting to 14 CZK (1 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The Programme Partner shall recover the amount of irregularity. The incorrectly reported amount will be deducted in IFR.

The irregularity (**case IR-0498**) in the CZ02 programme was firstly reported in June 2016 by the Certifying Authority. During the certification it was detected that the total expenditure amounting to 49 801 CZK (1 843,05 EUR using February 2016 monthly exchange rate 27,021 CZK/EUR) did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The Programme Partner shall recover the amount of irregularity. The expenditure has not entered the IFR yet.

The irregularity (**case IR-0499**) in the CZ02 programme consists of two irregularities which were firstly reported in June and August 2016 by the Certifying Authority. During the certification two cases of actual irregularities were detected: 1. Duplicate reporting of the expenditures related to the business trips incurred by the Programme Partner in the total amount of 380 CZK. 2. The reported amount related to salary of the Programme Partner's employee was not in compliance with the supporting documentation by 4 CZK. Furthermore, based on the article 5.6.6 and 7.2.3 of the Regulation the expenditure incurred by the small grant scheme operator is required to be reported by the operator (Programme Partner) on the monthly basis. Because the internal reporting system (CEDR) was not fully prepared for this monthly reporting till the end of the year 2014 all the expenditure reported by the Programme Partner was declared just on a basis of their declaration. However, it was detected during the subsequent internal control that the total expenditures related to the social insurance and amounting to 138 CZK did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The expenditure in the amount of 138 CZK (5 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) has already been reported to the FMO and will be deducted in IFR. The expenditure of 384 CZK (14,21 EUR using February 2016 monthly exchange rate 27,021 EUR) has not entered the IFR yet.

## ANNEX 4 – PLAN OF AUDITS 2016, MONITORING AND EVALUATION PLAN 2016

### PLAN OF AUDITS 2016

(not public document)

No.	Audit No.	Project No.	Audit type	Audit goal and focus	Audited entity	Audited amount in CZK	Timeframe
1.	FM2/2016/O/001	CZ02.REG.08	Audit of operation	Verification of eligible expenditures	Forestry and Game Management Research Institute	1 261 559,00	June – September 2016
2.	FM2/2016/O/002	CZ02.REG.16	Audit of operation	Verification of eligible expenditures	Czech University of Life Sciences Prague	2 000 000,00	April – August 2016
3.	FM2/2016/O/003	CZ02.REG.22	Audit of operation	Verification of eligible expenditures	Ministry of the Environment of the Czech Republic	10 596 646,00	July – October 2016
4.	FM2/2016/O/004	CZ02.REG.32	Audit of operation	Verification of eligible expenditures	Ministry of the Environment of the Czech Republic	4 178 491,00	May – September 2016
5.	FM2/2016/O/005	3640092	Audit of operation	Verification of eligible expenditures	League of Human Rights	855 381,00	June – October 2016
6.	FM2/2016/O/006	CZ03.MNG.1	Audit of operation	Verification of eligible expenditures	Civil Society Development Foundation / Partnership Foundation	9 259 976,00	June – October 2016
7.	FM2/2016/O/007	3720004	Audit of operation	Verification of eligible expenditures	MAGDALENIUM	772 056,00	August – November 2016
8.	FM2/2016/O/008	3730062	Audit of operation	Verification of eligible expenditures	SCHOLA EMPIRICA	796 040,00	March – June 2016 (closed)



9.	FM2/2016/O/009	3740066	Audit of operation	Verification of eligible expenditures	KSK centrum o.p.s.	797 555,00	June – October 2016
10.	FM2/2016/O/010	3750038	Audit of operation	Verification of eligible expenditures	District Charity Most	427 852,00	June – September 2016
11.	FM2/2016/O/011	77-FN-092	Audit of operation	Verification of eligible expenditures	Nature Conservation Forum	748 000,00	April – August 2016
12.	FM2/2016/O/012	36110019	Audit of operation	Verification of eligible expenditures	Sdružení D	375 679,00	August – November 2016
13.	FM2/2016/O/013	CZ05.REG.01	Audit of operation	Verification of eligible expenditures	Office of the Government of the Czech Republic	6 551 225,00	April – August 2016
14.	FM2/2016/O/014	CZ06.REG.25	Audit of operation	Verification of eligible expenditures	Archbishopric of Olomouc	2 000 000,00	August – November 2016
15.	FM2/2016/O/015	CZ06.MNG.2	Audit of operation	Verification of eligible expenditures	Ministry of Culture	3 022 609,00	April – August 2016
16.	FM2/2016/O/016	CZ06.REG.47	Audit of operation	Verification of eligible expenditures	Jihlava Documentary Film Festival	1 563 434,00	June – September 2016
17.	FM2/2016/O/017	CZ06.REG.28	Audit of operation	Verification of eligible expenditures	Jewish Community of Prague	2 758 817,00	March – May 2016 (closed)
18.	FM2/2016/O/018	CZ07.REG.53	Audit of operation	Verification of eligible expenditures	Masaryk University	1 089 877,00	August – November 2016
19.	FM2/2016/O/019	CZ08.REG.02	Audit of operation	Verification of eligible expenditures	University of Chemistry and Technology Prague	2 000 000,00	April – August 2016

20.	FM2/2016/O/020	CZ09.MNG.1	Audit of operation	Verification of eligible expenditures	Ministry of Education, Youth and Sports	12 753 736,00	September – November 2016
21.	FM2/2016/O/021	CZ09.REG.18	Audit of operation	Verification of eligible expenditures	University of J. E. Purkyně in Ústí nad Labem	3 115 000,00	May – August 2016
22.	FM2/2016/O/022	CZ09.REG.10	Audit of operation	Verification of eligible expenditures	University of West Bohemia	8 693 000,00	May – September 2016
23.	FM2/2016/O/023	CZ09.REG.15	Audit of operation	Verification of eligible expenditures	Czech Technical University in Prague	4 506 000,00	April – August 2016
24.	FM2/2016/O/024	CZ09.REG.05	Audit of operation	Verification of eligible expenditures	Institute of Molecular Genetics, v.v.i	5 559 000,00	September – November 2016
25.	FM2/2016/O/025	CZ09.REG.16	Audit of operation	Verification of eligible expenditures	Institute of Biophysics, v.v.i.	4 439 000,00	August – November 2016
26.	FM2/2016/O/026	CZ11.REG.12	Audit of operation	Verification of eligible expenditures	Krajská zdravotní, a.s. (hospitals association)	1 271 425,00	July – November 2016
27.	FM2/2016/O/027	CZ12.DOA.1	Audit of operation	Verification of eligible expenditures	Open Society Fund Prague	2 331 241,00	May – August 2016
28.	FM2/2016/O/028	CZ12.REG.59	Audit of operation	Verification of eligible expenditures	Intervention Centers Staff Association	2 000 000,00	May – September 2016
29.	FM2/2016/O/029	CZ12.REG.09	Audit of operation	Verification of eligible expenditures	HK PK Academy, o.p.s. (Public Service Company)	428 042,00	September – November 2016
30.	FM2/2016/O/030	CZ15.MNG.1	Audit of operation	Verification of eligible expenditures	Ministry of Finance	815 851,00	May – September 2016

31.	FM2/2016/S/001	CZ02, CZ04, CZ05, CZ06, CZ08, CZ10, CZ11, CZ13, CZ14, CZ15	System audit	Verification of the effective MCS	Ministry of Finance		September – December 2016
32.	FM2/2016/S/002	CZ12	System audit	Verification of the effective MCS	Open Society Fund Prague		November 2016 – January 2017
33.	FM2/2016/S/003	CZ09	System audit	Verification of the effective MCS	Ministry of Youth, Education and Sports		November 2016 – February 2017

## MONITORING AND EVALUATION PLAN 2016

No.	Programme No.	Monitoring tool	Description	Monitored entity	Timeframe
1.	CZ03	On the spot monitoring visit	Monitoring visit of the programme operator and 2 selected projects	Civil Society Development Foundation, Partnership Foundation + 2 selected Project Promotes	September, October 2016
2.	CZ03	Regular meeting	Meeting on progress of programme implementation and actual issues do deal with	Civil Society Development Foundation, Partnership Foundation	November 2016
3.	CZ07	On the spot monitoring visit	Monitoring visit of the programme operator and 2 selected projects focused on	Centre for International Cooperation in Education + 2 selected Project	November 2016

			cooperation between schools	Promotes	
4.	CZ07	Regular meeting	Meeting on progress of programme implementation and actual issues do deal with	Centre for International Cooperation in Education	December 2016
5.	CZ09	On the spot monitoring visit	Monitoring visit of the programme operator and 2 selected projects	Ministry of Youth, Education and Sports+ 2 selected Project Promotes	November 2016
6.	CZ09	Regular meeting	Meeting on progress of programme implementation and actual issues do deal with	Ministry of Youth, Education and Sports	December 2016
7.	CZ12	On the spot monitoring visit	Monitoring visit of the programme operator and 2 selected projects	Open Society Fund Prague+ 2 selected Project Promotes	October 2016
8.	CZ12	Regular meeting	Meeting on progress of programme implementation and actual issues do deal with	Open Society Fund Prague	November 2016
9.	CZ11	Evaluation (review)	Review of the programme realized by external contracted company	Ministry of Finance, Ministry of Health, other stakeholders	December 16 – January 17

## ANNEX 5 – RISK ASSESSMENT AT THE NATIONAL LEVEL

Type of objective <sup>1</sup>	Description of risk	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
Cohesion objective:	Time risk - delay in commitment and disbursement of funds	middle	high	middle	-possibility of prolongation of individual projects till April 2017, possibility of prolongation beyond April 2017 (financial resources ensured by Project Promoters) within programmes CZ10, CZ13 and CZ15 -flexible approval of project modifications -intensive project monitoring including on-the-spot visits, on-the-spot controls -regular meetings with POs
Bilateral objective:	Bilateral relations	low	middle	low	-open calls within the Bilateral Fund at National Level were fully spent (possible reallocation from CZ04) -events organized by the NFP (conferences, round tables, etc.) in 2016 -close cooperation with Norwegian Embassy in Prague, creation of special webpage: <a href="http://www.norskefondy.info">www.norskefondy.info</a> for promotion of bilateral relations
Operational issues:	Pre-financing from the state budget	low	middle	low	-regular pre-financing in state budget -NFP's regular check of pre-financing of programmes realized by public institutions
	Co-financing from the state budget	low	middle	low	-regular budgeting of co-financing in state budget -NFP's regular check of co-financing in programmes CZ07 and CZ09
	Management and control system, in accordance with the Regulation	low	high	middle	-regular check and update of Management and Control System by the NFP - audit was carried out by external company hired by the FMO in 2016 - audit was started by the Audit Authority in August 2016
	Establishing an implementation system for EEA/Norway Grants 2009-2014 at national level	low	middle	low	-regular updates to all important manuals and guidelines at national level
	Communication between institutions at national level and Programme Operators	low	middle	low	-establishing a system of mutual information via e-mails, meetings, etc. -regular communication among the NFP, CA, AA and PO
	Risk of exchange rate differences	low	middle	low	-creating reserves on the part of the CA to cover exchange rate risks during the period of EEA/Norway Grants 2009-2014 implementation
	Corruption risks	low	middle	low	-establishing a transparent system and regular monitoring
	Experience of the Programme Operators	low	middle	low	-advisory services for organizations that do not have experience with EEA/Norway Grants

<sup>1</sup> The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

<sup>2</sup> Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>3</sup> Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>4</sup> Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25)

Risk		Significance
1	Pre-financing from the state budget	4
2	Co-financing from the state budget	6
3	Management and control system, in accordance with the Regulation	10
4	Establishing an implementation system for EEA/Norway Grants 2009-2014 at national level	4
5	Communication between institutions at national level and Programme Operators	6
6	Time risk - delay in commitment and disbursement of funds	15
7	Risk of exchange rate differences	3
8	Corruption risks	4
9	Experience of the Programme Operators	6
10	Bilateral relations	3

Classification of Risks	Points	Colour
Low	1-8	
Middle	9-15	
High	16-25	

## ANNEX 6 – TECHNICAL ASSISTANCE ANNUAL REPORT 2015 – UP-DATE



### UPDATE to ANNUAL REPORT cut-off date: 31 August 2016

#### CZ01 – Technical Assistance

#### EEA and Norwegian Financial Mechanisms 2009-2014

### 1 OVERVIEW OF MAIN ACTIVITIES

In the period January – August 2016 the following activities financed from the Technical Assistance were realized:

Salaries and bonuses related to employees of National Focal Point (NFP), Certifying Authority (CA) and Audit Authority (AA) were paid. It concerns 2 employees of AA, 1 employee of CA and 3 employees of NFP with the following extent of the workload: 100% of the overall workload, 10% of the overall workload, 30% of the overall workload. The fourth NFP employee with 20% workload is financed from May 2016. Also the motivation expenditure – personal supplements and additional benefits for all employees of the NFP, CA and AA were paid.

The Monitoring Committee meeting was held “per-rollam” in March 2016 in order to discuss the Strategic Reports for 2015. Also two technical meetings with the FMO were held in the first half of 2016. NFP also went through two audit missions focused on the national level (NFP, CA, AA) as well as programmes: the performance audit of EEA grants carried out by the EFTA Board of auditors (February 2016) and the system audit of EEA/Norway grants carried out by the auditors of Moore Stephens contracted by the FMO (April 2016). For these meetings the refreshment was ensured and paid.

There were also three foreign trips of the NFP/CA/AA staff: one NFP representative participated on the seminar for the NFPs and POs of Scholarship programme and related Outreach event that were held in June 2016 in Brussel. Two NFP representatives and one CA representative participated in the meeting of V4 countries related to experiences sharing within EEA and Norway Grants and their incorporation into the new draft Regulation for FM 2014-2021 that was held in June 2016 in Warsaw (Poland). One AA representative participated on a three-day seminar “Improving Financial Management, Control and Audit of EU Funds 2014-2020” held in Berlin in June 2016. The knowledge learned at the seminar will be applied during audits of EEA and Norway Grants.

The AA also realized travel costs within the Czech Republic (incl. per diems, travel costs and accommodation) related to the audit work on-the-spot.

Under the promotional and information activities the NFP ensured new delivery of promotional materials (bags, folders) during spring 2016.

The NFP also continuously updates the official website related to the EEA and Norway Grants in the Czech Republic.

The CA ensured the maintenance of the module of the EEA/Norway Grants within the existing information and accounting system (IS VIOLA) as well as incorporating new functionalities.

The AA prepared the Audit strategy for the EEA/Norway Grants for 2016 that was submitted to the FMO in April 2016. Audits of Programmes are carried out according to this Audit Strategy.

No irregularities related to the Technical Assistance were discovered in 2016.

## 2 BUDGET OVERVIEW

The reallocation between budget lines within the TA budget as well as the reallocation from the TA budget to the Fund for bilateral relations at national level was approved by the FMO and the amended TA Agreement was issued in June 2016. The reallocations included mainly:

- increase of budgets for Additional management systems (for NFP, CA, AA) due to the extension of the eligibility of TA and programmes and increase of the staff in order to ensure the task rather by own employees than by external experts,
- increase of budget for Promotional and information activities (for NFP) in order to ensure sufficient and varied publicity,
- decrease of budget for Reviews and evaluations (NFP), On-the-spot verifications (CA) and Audits (AA) as these budgets will not be fully utilized (the estimated amount for tender is lower than expected or own staff is used instead of external experts),
- transfer of the overall savings in the TA budget (in total 78 981 EUR) to the Fund for Bilateral Relations at national level where the NFP noticed the increased demand of possible applications in comparison to the available allocation.

### ACTUAL EXPENDITURE IN 2016

		12. IFR (Jan 16 – Apr 16)		13. IFR (May 16 – Aug 16)*	
TA	NFP	288 144 CZK	10 650 EUR	687 645 CZK	25 428 EUR
	CA	284 236 CZK	10 506 EUR	580 681 CZK	21 462 EUR
	AA	392 873 CZK	14 521 EUR	682 223 CZK	25 218 EUR
<b>TOTAL TA</b>		<b>965 253 CZK</b>	<b>35 677 EUR</b>	<b>1 950 549 CZK</b>	<b>72 108 EUR</b>
<b>BF</b>		<b>1 147 117 CZK</b>	<b>42 392 EUR</b>	<b>387 701 CZK</b>	<b>14 335 EUR</b>
<b>TOTAL</b>		<b>2 112 370 CZK</b>	<b>78 069 EUR</b>	<b>2 338 250 CZK</b>	<b>86 443 EUR</b>

\* not certified yet

TOTAL Jan 16 – Aug 16	
4 450 620 CZK	164 512 EUR



**CUMULATIVE EXPENDITURE Jun 2011 – Aug 2016**

		<b>BUDGET</b>	<b>TOTAL DISBURSED</b>		<b>REMAINS</b>
<b>TA</b>	NFP	823 172 EUR	7 052 362 CZK	269 059 EUR	554 113 EUR
	CA	496 392 EUR	5 892 124 CZK	219 916 EUR	276 476 EUR
	AA	578 455 EUR	4 897 551 CZK	184 489 EUR	393 966 EUR
<b>TOTAL TA</b>		<b>1 898 019 EUR</b>	<b>17 842 037 CZK</b>	<b>673 464 EUR</b>	<b>1 224 555 EUR</b>
<b>BF</b>		<i>967 981 EUR</i>	<i>11 565 849 CZK</i>	<i>432 540 EUR</i>	<i>535 441 EUR</i>
<b>TOTAL</b>		<b>2 866 000 EUR</b>	<b>29 407 886 CZK</b>	<b>1 106 004 EUR</b>	<b>1 759 996 EUR</b>

**3 PROCUREMENTS**

During 2016 the NFP in cooperation with the PO-Ministry of Finance prepared and launched several tenders:

- Open tender for articles in press in order to promote EEA and Norway Grants in the Czech Republic: the contract with company Image CZ was signed on 19 July 2016 and it is planned that 1 article will be financed from the Technical Assistance (in 2018) and 2 articles from the Fund for bilateral relations at national level (the other articles will be financed from EEA and Norway Grants programmes as well as from the Swiss-Czech Cooperation Programme).
- Open tender for catering (to be used also during events and activities under TA and BFNL) – the contract with the company Aristokrat Catering was signed on 5 September 2016.
- Small scale tender for interpretation (to be used also during events and activities under TA and BFNL) – contract with the company Pro Education International was signed on 9 September 2016.
- Small scale tender for on-the-spot controls of programmes – the services will be ordered at the end of September 2016 (company Deloitte).
- Open tender for evaluation of programmes – the tender was launched on 2 September 2016 with the deadline for bids on 20 October 2016.

No other procurement is planned under the Technical Assistance.

**4 STAFFING**

Please refer to the main report.

**5 THE REST OF YEAR**

For the rest of 2016 the National Focal Point, Certifying Authority and Audit Authority will continue in the implementation, monitoring, certification and audit of the EEA /Norway Grants 2009-2014.

From the Technical Assistance the following activities and expenditures are expected:

Salaries and bonuses will be disbursed for 3 AA's employees, 2 CA's employees and 4 NFP's employees. Also the motivational expenditure – personal supplements and additional benefits for employees of the NFP, CA and AA will be paid.

Concerning the meetings the Annual meeting is planned in November 2016, regular meetings with Programme Operators are planned during autumn 2016 as well as technical meetings with the FMO and Norwegian Embassy in Prague.

As part of the promotional and information activities the NFP plans to organize the *Conference on the progress in implementation of EEA and Norway Grants 2009-2014 in the Czech Republic, Lessons Learnt and Best Practice* on 4 October 2016 for 130 participants.

On-the-spot verifications as well as audits of programmes will be carried out by the employees of the CA, NFP and AA respectively.

Audits of programmes will be carried out by the AA according to the Audit strategy.